

No. 1. (Special Session.) An act making appropriations for the support of government.

(H.441)

It is hereby enacted by the General Assembly of the State of Vermont:

Sec. A.100 SHORT TITLE

(a) This bill may be referred to as the BIG BILL - Fiscal Year 2010

Appropriations Act.

Sec. A.101 PURPOSE

(a) The purpose of this act is to provide appropriations for the operations of state government during fiscal year 2010. It is the express intent of the general assembly that activities of the various agencies, departments, divisions, boards, and commissions be limited to those which can be supported by funds appropriated in this act or other acts passed prior to June 30, 2009. Agency and department heads are directed to implement staffing and service levels at the beginning of fiscal year 2010 so as to meet this condition unless otherwise directed by specific language in this act or other acts of the general assembly.

Sec. A.102 APPROPRIATIONS

(a) It is the intent of the general assembly that this act serve as the primary source and reference for appropriations for fiscal year 2010.

(b) The sums herein stated are appropriated for the purposes specified in the following sections of this act. When no time is expressly stated during which any of the appropriations are to continue, the appropriations are single year appropriations only for the purpose indicated and shall be paid from funds

shown as the source of funds. If in this act there is an error in either addition or subtraction, the totals shall be adjusted accordingly. Apparent errors in referring to section numbers of statutory titles within this act may be disregarded by the commissioner of finance and management.

(c) Unless codified or otherwise specified, all narrative portions of this act apply only to the fiscal year ending June 30, 2010.

Sec. A.103 DEFINITIONS

(a) For the purposes of this act:

(1) “Encumbrances” means a portion of an appropriation reserved for the subsequent payment of existing purchase orders or contracts. The commissioner of finance and management shall make final decisions on the appropriateness of encumbrances.

(2) “Grants” means subsidies, aid, or payments to local governments, to community and quasi-public agencies for providing local services, and to persons who are not wards of the state for services or supplies, and means cash or other direct assistance, including pension contributions.

(3) “Operating expenses” means property management, repair and maintenance, rental expenses, insurance, postage, travel, energy and utilities, office and other supplies, equipment including motor vehicles, highway materials and construction, expenditures for the purchase of land, and construction of new buildings and permanent improvements, and similar items.

(4) "Personal services" means wages and salaries, fringe benefits, per diems, and contracted third party services, and similar items.

Sec. A.104 RELATIONSHIP TO EXISTING LAWS

(a) Except as specifically provided, this act shall not be construed in any way to negate or impair the full force and effect of existing laws.

Sec. A.105 OFFSETTING APPROPRIATIONS

(a) In the absence of specific provisions to the contrary in this act, when total appropriations are offset by estimated receipts, the state appropriations shall control, notwithstanding receipts being greater or less than anticipated.

Sec. A.106 FEDERAL FUNDS

(a) In fiscal year 2010 the governor, with the approval of the legislature or the joint fiscal committee if the legislature is not in session, may accept federal funds available to the state of Vermont including block grants in lieu of or in addition to funds herein designated as federal. The governor, with the approval of the legislature or the joint fiscal committee if the legislature is not in session, may allocate all or any portion of such federal funds for any purpose consistent with the purposes for which the basic appropriations in this act have been made.

(b) If, during fiscal year 2010, federal funds available to the state of Vermont and designated as federal in this and other acts of the 2009 session of the Vermont general assembly are converted into block grants or are abolished under their current title in federal law and reestablished under a new title in

federal law, the governor may continue to accept such federal funds for any purpose consistent with the purposes for which the federal funds were appropriated. The governor may spend such funds for such purposes for no more than 45 days prior to legislative or joint fiscal committee approval. Notice shall be given to the joint fiscal committee without delay if the governor intends to use the authority granted by this section, and the joint fiscal committee shall meet in an expedited manner to review the governor's request for approval.

Sec. A.107 DEPARTMENTAL RECEIPTS

(a) All receipts shall be credited to the general fund except as otherwise provided and except the following receipts, for which this subsection shall constitute authority to credit to special funds:

- (1) Connecticut River flood control;
- (2) Public service department - sale of power;
- (3) Tax department - unorganized towns and gores.

(b) Notwithstanding any other provision of law, departmental indirect cost recoveries (32 V.S.A. § 6) receipts are authorized, subject to the approval of the secretary of administration, to be retained by the department. All recoveries not so authorized shall be covered into the general fund, or, for agency of transportation recoveries, the transportation fund.

Sec. A.108 NEW POSITIONS

(a) Notwithstanding any other provision of law, the total number of authorized state positions, both classified and exempt, excluding temporary positions as defined in 3 V.S.A. § 311(11), shall not be increased during fiscal year 2010 except for new positions authorized by the 2009 session. Limited service positions approved pursuant to 32 V.S.A. § 5 shall not be subject to this restriction.

Sec. A.109 LEGEND

(a) The bill is organized by functions of government. The sections between B.100 and B.9999 contain appropriations of funds. The sections between E.100 and E.9999 contain language that relates to specific appropriations and/or government functions. The function areas by section numbers are as follows:

B.100–B.199 and E.100–E.199	General Government
B.200–B.299 and E.200–E.299	Protection to Persons and Property
B.300–B.399 and E.300–E.399	Human Services
B.400–B.499 and E.400–E.499	Labor
B.500–B.599 and E.500–E.599	General Education
B.600–B.699 and E.600–E.699	Higher Education
B.700–B.799 and E.700–E.799	Natural Resources
B.800–B.899 and E.800–E.899	Commerce and Community Development
B.900–B.999 and E.900–E.999	Transportation
B.1000–B.1099 and E.1000–E.1099	Debt Service

B.1100–B.1199 and E.1100–E.1199 One-time and other appropriation actions

Sec. B.100 Secretary of administration - secretary's office

Personal services	795,758
Operating expenses	<u>69,411</u>
Total	865,169

Source of funds

General fund	676,776
Global Commitment fund	<u>188,393</u>
Total	865,169

Sec. B.101 Information and innovation - communications and information technology

Personal services	6,816,269
Operating expenses	2,749,899
Grants	<u>750,000</u>
Total	10,316,168

Source of funds

General fund	97,094
Internal service funds	9,698,448
Interdepartmental transfers	<u>520,626</u>
Total	10,316,168

Sec. B.102 Information and innovation - health care information technology

Personal services	90,000
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Grants	<u>2,865,674</u>
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Total	2,955,674
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Source of funds

Special funds	2,616,174
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Global Commitment fund	<u>339,500</u>
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Total	2,955,674
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Sec. B.103 Finance and management - budget and management

Personal services	1,011,091
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Operating expenses	<u>145,343</u>
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Total	1,156,434
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Source of funds

General fund	841,780
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Interdepartmental transfers	<u>314,654</u>
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Total	1,156,434
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Sec. B.104 Finance and management - financial operations

Personal services	2,666,280
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Operating expenses	<u>205,538</u>
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Total	2,871,818
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Source of funds

Internal service funds	<u>2,871,818</u>
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Total	2,871,818
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Sec. B.105 Human resources - operations

Personal services	2,460,443
Operating expenses	<u>625,941</u>
Total	3,086,384

Source of funds

General fund	1,888,503
Special funds	280,835
Interdepartmental transfers	<u>917,046</u>
Total	3,086,384

Sec. B.107 Human resources - employee benefits & wellness

Personal services	1,655,935
Operating expenses	<u>395,438</u>
Total	2,051,373

Source of funds

Internal service funds	2,011,520
Interdepartmental transfers	<u>39,853</u>
Total	2,051,373

Sec. B.108 Libraries

Personal services	2,078,222
Operating expenses	1,561,712
Grants	<u>62,500</u>
Total	3,702,434

Source of funds

General fund	2,616,539
Special funds	132,500
Federal funds	855,215
Interdepartmental transfers	<u>98,180</u>
Total	3,702,434

Sec. B.109 Tax - administration/collection

Personal services	12,714,125
Operating expenses	<u>2,992,665</u>
Total	15,706,790

Source of funds

General fund	14,260,386
Special funds	1,191,404
Tobacco fund	58,000
Interdepartmental transfers	<u>197,000</u>
Total	15,706,790

Sec. B.110 Buildings and general services - administration

Personal services	1,371,967
Operating expenses	<u>98,823</u>
Total	1,470,790

Source of funds

Interdepartmental transfers	<u>1,470,790</u>
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Total	1,470,790
Sec. B.111 Buildings and general services - engineering	
Personal services	1,989,475
Operating expenses	<u>418,865</u>
Total	2,408,340
Source of funds	
General fund	458,340
Interdepartmental transfers	<u>1,950,000</u>
Total	2,408,340
Sec. B.112 Buildings and general services - information centers	
Personal services	2,981,451
Operating expenses	1,183,949
Grants	<u>45,000</u>
Total	4,210,400
Source of funds	
General fund	4,160,400
Special funds	<u>50,000</u>
Total	4,210,400
Sec. B.113 Buildings and general services - purchasing	
Personal services	671,569
Operating expenses	<u>204,881</u>
Total	876,450

Source of funds

General fund	<u>876,450</u>
Total	876,450

Sec. B.114 Buildings and general services - postal services

Personal services	650,910
Operating expenses	<u>184,090</u>
Total	835,000

Source of funds

General fund	36,116
Internal service funds	<u>798,884</u>
Total	835,000

Sec. B.115 Buildings and general services - copy center

Personal services	725,873
Operating expenses	<u>194,127</u>
Total	920,000

Source of funds

Internal service funds	<u>920,000</u>
Total	920,000

Sec. B.116 Buildings and general services - fleet management services

Personal services	475,587
Operating expenses	<u>169,413</u>
Total	645,000

Source of funds

Internal service funds	<u>645,000</u>
Total	645,000

Sec. B.117 Buildings and general services - federal surplus property

Personal services	83,564
Operating expenses	<u>62,936</u>
Total	146,500

Source of funds

Enterprise funds	<u>146,500</u>
Total	146,500

Sec. B.118 Buildings and general services - state surplus property

Personal services	80,720
Operating expenses	<u>86,060</u>
Total	166,780

Source of funds

Internal service funds	<u>166,780</u>
Total	166,780

Sec. B.119 Buildings and general services - property management

Personal services	1,196,597
Operating expenses	<u>2,985,033</u>
Total	4,181,630

Source of funds

Internal service funds	<u>4,181,630</u>
Total	4,181,630

Sec. B.120 Buildings and general services - workers' compensation insurance

Personal services	1,329,914
Operating expenses	<u>309,324</u>
Total	1,639,238

Source of funds

Internal service funds	<u>1,639,238</u>
Total	1,639,238

Sec. B.121 Buildings and general services - general liability insurance

Personal services	295,114
Operating expenses	<u>125,386</u>
Total	420,500

Source of funds

Internal service funds	<u>420,500</u>
Total	420,500

Sec. B.122 Buildings and general services - all other insurance

Personal services	33,028
Operating expenses	<u>51,972</u>
Total	85,000

Source of funds

Internal service funds	<u>85,000</u>
Total	85,000

Sec. B.123 Buildings and general services - fee for space

Personal services	12,684,951
Operating expenses	<u>14,970,941</u>
Total	27,655,892

Source of funds

Internal service funds	<u>27,655,892</u>
Total	27,655,892

Sec. B.124 Geographic information system

Grants	<u>408,700</u>
Total	408,700

Source of funds

Special funds	<u>408,700</u>
Total	408,700

Sec. B.125 Executive office - governor's office

Personal services	1,217,326
Operating expenses	<u>386,489</u>
Total	1,603,815

Source of funds

General fund	1,410,315
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Interdepartmental transfers	<u>193,500</u>
Total	1,603,815
Sec. B.126 Legislative council	
Personal services	2,164,007
Operating expenses	<u>178,970</u>
Total	2,342,977
Source of funds	
General fund	<u>2,342,977</u>
Total	2,342,977
Sec. B.127 Legislature	
Personal services	3,672,884
Operating expenses	<u>3,388,507</u>
Total	7,061,391
Source of funds	
General fund	<u>7,061,391</u>
Total	7,061,391
Sec. B.128 Legislative information technology	
Personal services	393,601
Operating expenses	<u>492,357</u>
Total	885,958
Source of funds	
General fund	<u>885,958</u>

Total	885,958
Sec. B.129 Joint fiscal committee	
Personal services	1,414,565
Operating expenses	<u>94,632</u>
Total	1,509,197
Source of funds	
General fund	<u>1,509,197</u>
Total	1,509,197
Sec. B.130 Sergeant at arms	
Personal services	509,586
Operating expenses	<u>99,931</u>
Total	609,517
Source of funds	
General fund	<u>609,517</u>
Total	609,517
Sec. B.131 Lieutenant governor	
Personal services	146,651
Operating expenses	<u>16,983</u>
Total	163,634
Source of funds	
General fund	<u>163,634</u>
Total	163,634

Sec. B.132 Auditor of accounts

Personal services	3,032,314
Operating expenses	<u>139,366</u>
Total	3,171,680

Source of funds

General fund	437,938
Special funds	51,709
Internal service funds	<u>2,682,033</u>
Total	3,171,680

Sec. B.133 State treasurer

Personal services	2,313,466
Operating expenses	357,079
Grants	<u>6,484</u>
Total	2,677,029

Source of funds

General fund	1,086,815
Special funds	1,506,190
Interdepartmental transfer	<u>84,024</u>
Total	2,677,029

Sec. B.134 State treasurer - unclaimed property

Personal services	687,596
Operating expenses	<u>237,795</u>

Total	925,391
Source of funds	
Private purpose trust funds	<u>925,391</u>
Total	925,391
Sec. B.135 Vermont state retirement system	
Personal services	27,115,165
Operating expenses	<u>773,415</u>
Total	27,888,580
Source of funds	
Pension trust funds	<u>27,888,580</u>
Total	27,888,580
Sec. B.136 Municipal employees' retirement system	
Personal services	1,841,374
Operating expenses	<u>346,814</u>
Total	2,188,188
Source of funds	
Pension trust funds	<u>2,188,188</u>
Total	2,188,188
Sec. B.137 State labor relations board	
Personal services	166,789
Operating expenses	<u>37,194</u>
Total	203,983

Source of funds

General fund	198,260
Special funds	2,788
Interdepartmental transfers	<u>2,935</u>
Total	203,983

Sec. B.138 VOSHA review board

Personal services	37,997
Operating expenses	<u>9,815</u>
Total	47,812

Source of funds

General fund	23,905
Interdepartmental transfers	<u>23,907</u>
Total	47,812

Sec. B.139 Homeowner rebate

Grants	<u>13,725,647</u>
Total	13,725,647

Source of funds

General fund	<u>13,725,647</u>
Total	13,725,647

Sec. B.140 Renter rebate

Grants	<u>8,476,695</u>
Total	8,476,695

Source of funds

General fund	2,543,008
Education fund	<u>5,933,687</u>
Total	8,476,695

Sec. B.141 Tax department - reappraisal and listing payments

Grants	<u>3,470,000</u>
Total	3,470,000

Source of funds

Education fund	<u>3,470,000</u>
Total	3,470,000

Sec. B.142 Use tax reimbursement fund - municipal current use

Grants	<u>10,807,403</u>
Total	10,807,403

Source of funds

General fund	<u>10,807,403</u>
Total	10,807,403

Sec. B.143 Lottery commission

Personal services	1,555,943
Operating expenses	<u>1,113,662</u>
Total	2,669,605

Source of funds

Enterprise funds	<u>2,669,605</u>
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Total	2,669,605
Sec. B.144 Payments in lieu of taxes	
Grants	<u>4,900,000</u>
Total	4,900,000
Source of funds	
Special funds	<u>4,900,000</u>
Total	4,900,000
Sec. B.145 Payments in lieu of taxes - Montpelier	
Grants	<u>184,000</u>
Total	184,000
Source of funds	
Special funds	<u>184,000</u>
Total	184,000
Sec. B.146 Payments in lieu of taxes - correctional facilities	
Grants	<u>40,000</u>
Total	40,000
Source of funds	
Special funds	<u>40,000</u>
Total	40,000
Sec. B.147 Total general government	184,334,966
Source of funds	
General fund	68,718,349

Education fund	9,403,687
Special funds	11,364,300
Tobacco fund	58,000
Global Commitment fund	527,893
Federal funds	855,215
Enterprise funds	2,816,105
Internal service funds	53,776,743
Pension trust funds	30,076,768
Private purpose trust funds	84,024
Interdepartmental transfers	<u>6,653,882</u>
Total	184,334,966

Sec. B.200 Attorney general

Personal services	6,518,250
Operating expenses	<u>1,055,051</u>
Total	7,573,301

Source of funds

General fund	3,894,689
Special funds	938,302
Tobacco fund	405,000
Federal funds	677,526
Interdepartmental transfers	<u>1,657,784</u>
Total	7,573,301

Sec. B.201 Vermont court diversion

Grants	<u>1,724,784</u>
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Total	1,724,784
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Source of funds

General fund	1,204,784
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Special funds	<u>520,000</u>
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Total	1,724,784
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Sec. B.202 Defender general - public defense

Personal services	7,273,704
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Operating expenses	<u>919,387</u>
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Total	8,193,091
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Source of funds

General fund	7,691,786
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Special funds	<u>501,305</u>
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Total	8,193,091
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Sec. B.203 Defender general - assigned counsel

Personal services	3,319,857
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Operating expenses	<u>77,909</u>
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Total	3,397,766
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Source of funds

General fund	3,272,502
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Special funds	<u>125,264</u>
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Total	3,397,766
Sec. B.204 Judiciary	
Personal services	27,238,182
Operating expenses	10,084,796
Grants	<u>70,000</u>
Total	37,392,978
Source of funds	
General fund	30,995,922
Special funds	3,891,636
Tobacco fund	39,112
Federal funds	546,919
Interdepartmental transfers	<u>1,919,389</u>
Total	37,392,978
Sec. B.205 State's attorneys	
Personal services	9,685,589
Operating expenses	<u>1,298,616</u>
Total	10,984,205
Source of funds	
General fund	8,754,382
Special funds	56,675
Federal funds	31,000
Interdepartmental transfers	<u>2,142,148</u>

Total	10,984,205
Sec. B.206 Special investigative unit	
Grants	<u>1</u>
Total	1
Source of funds	
General fund	<u>1</u>
Total	1
Sec. B.207 Sheriffs	
Personal services	3,306,718
Operating expenses	<u>356,269</u>
Total	3,662,987
Source of funds	
General fund	<u>3,662,987</u>
Total	3,662,987
Sec. B.208 Public safety - administration	
Personal services	1,696,711
Operating expenses	<u>194,781</u>
Total	1,891,492
Source of funds	
General fund	1,861,340
Federal funds	<u>30,152</u>
Total	1,891,492

Sec. B.209 Public safety - state police

Personal services	42,024,804
Operating expenses	11,413,936
Grants	<u>582,087</u>
Total	54,020,827

Source of funds

ARRA funds	7,461,782
General fund	16,465,183
Transportation fund	23,731,384
Special funds	1,910,795
Federal funds	2,159,888
Interdepartmental transfers	<u>2,291,795</u>
Total	54,020,827

Sec. B.210 Public safety - criminal justice services

Personal services	6,078,888
Operating expenses	2,976,224
Grants	<u>2,909,394</u>
Total	11,964,506

Source of funds

General fund	756,092
Transportation fund	4,557,454
Special funds	1,860,980

Federal funds	4,689,372
Interdepartmental transfers	<u>100,608</u>
Total	11,964,506

Sec. B.211 Public safety - emergency management

Personal services	1,778,662
Operating expenses	1,246,992
Grants	<u>819,400</u>
Total	3,845,054

Source of funds

Transportation fund	63,969
Special funds	168,831
Federal funds	<u>3,612,254</u>
Total	3,845,054

Sec. B.212 Public safety - fire safety

Personal services	4,396,900
Operating expenses	1,590,660
Grants	<u>55,000</u>
Total	6,042,560

Source of funds

General fund	590,719
Special funds	4,866,202
Federal funds	411,992

Interdepartmental transfers 173,647

Total 6,042,560

Sec. B.213 Public safety - homeland security

Personal services 1,252,863

Operating expenses 4,999,729

Grants 1,050,000

Total 7,302,592

Source of funds

General fund 395,271

Federal funds 6,907,321

Total 7,302,592

Sec. B.214 Public safety - emergency management - radiological emergency

response plan

Personal services 695,571

Operating expenses 273,382

Grants 743,518

Total 1,712,471

Source of funds

Special funds 1,712,471

Total 1,712,471

Sec. B.215 Military - administration

Personal services 595,055

Operating expenses	185,755
Grants	<u>100,000</u>
Total	880,810
Source of funds	
General fund	<u>880,810</u>
Total	880,810
Sec. B.216 Military - air service contract	
Personal services	4,682,496
Operating expenses	<u>1,576,241</u>
Total	6,258,737
Source of funds	
General fund	433,236
Federal funds	<u>5,825,501</u>
Total	6,258,737
Sec. B.217 Military - army service contract	
Personal services	3,645,443
Operating expenses	<u>9,174,120</u>
Total	12,819,563
Source of funds	
General fund	107,071
Federal funds	<u>12,712,492</u>
Total	12,819,563

Sec. B.218 Military - building maintenance

Personal services	1,024,137
Operating expenses	<u>386,580</u>
Total	1,410,717

Source of funds

General fund	1,343,826
Federal funds	<u>66,891</u>
Total	1,410,717

Sec. B.219 Military - veterans' affairs

Personal services	430,316
Operating expenses	133,624
Grants	<u>163,815</u>
Total	727,755

Source of funds

General fund	575,519
Special funds	83,529
Federal funds	<u>68,707</u>
Total	727,755

Sec. B.220 Center for crime victims' services

Personal services	1,275,841
Operating expenses	261,734
Grants	<u>9,433,056</u>

Total	10,970,631
Source of funds	
ARRA funds	797,067
General fund	1,119,233
Special funds	5,201,380
Federal funds	<u>3,852,951</u>
Total	10,970,631
Sec. B.221 Criminal justice training council	
Personal services	1,225,444
Operating expenses	<u>1,135,975</u>
Total	2,361,419
Source of funds	
General fund	1,453,753
Special funds	534,343
Interdepartmental transfers	<u>373,323</u>
Total	2,361,419
Sec. B.222 Agriculture, food and markets - administration	
Personal services	707,514
Operating expenses	390,128
Grants	<u>338,351</u>
Total	1,435,993

Source of funds

General fund	886,626
Special funds	382,449
Federal funds	124,918
Interdepartmental transfers	<u>42,000</u>
Total	1,435,993

Sec. B.223 Agriculture, food and markets - food safety and consumer protection

Personal services	2,041,806
Operating expenses	<u>332,830</u>
Total	2,374,636

Source of funds

General fund	1,278,611
Special funds	651,025
Federal funds	438,000
Interdepartmental transfers	<u>7,000</u>
Total	2,374,636

Sec. B.224 Agriculture, food and markets - agricultural development

Personal services	688,162
Operating expenses	504,063
Grants	<u>302,500</u>
Total	1,494,725

Source of funds	
General fund	673,775
Special funds	432,950
Federal funds	<u>388,000</u>
Total	1,494,725

Sec. B.225 Agriculture, food and markets - laboratories, agricultural resource management and environmental stewardship

Personal services	3,800,621
Operating expenses	639,708
Grants	<u>4,480,952</u>
Total	8,921,281

Source of funds	
General fund	2,420,363
Special funds	5,433,147
Federal funds	519,517
Interdepartmental transfers	<u>548,254</u>
Total	8,921,281

Sec. B.226 Agriculture, food and markets - state stipend

Grants	<u>175,000</u>
Total	175,000

Source of funds	
General fund	<u>175,000</u>

Total	175,000
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Sec. B.227 Agriculture, food and markets - mosquito control

Personal services	20,000
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Operating expenses	<u>60,000</u>
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Total	80,000
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Source of funds

Special funds	<u>80,000</u>
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Total	80,000
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Sec. B.228 Banking, insurance, securities, and health care administration -
administration

Personal services	1,982,977
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Operating expenses	<u>88,470</u>
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Total	2,071,447
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Source of funds

Special funds	<u>2,071,447</u>
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Total	2,071,447
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Sec. B.229 Banking, insurance, securities, and health care administration -
banking

Personal services	1,240,658
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Operating expenses	<u>248,960</u>
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Total	1,489,618
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Source of funds

Special funds	<u>1,489,618</u>
Total	1,489,618

Sec. B.230 Banking, insurance, securities, and health care administration -
insurance

Personal services	2,765,146
Operating expenses	<u>450,750</u>
Total	3,215,896

Source of funds

Special funds	<u>3,215,896</u>
Total	3,215,896

Sec. B.231 Banking, insurance, securities, and health care administration -
captive

Personal services	2,998,995
Operating expenses	<u>452,000</u>
Total	3,450,995

Source of funds

Special funds	<u>3,450,995</u>
Total	3,450,995

Sec. B.232 Banking, insurance, securities, and health care administration -
securities

Personal services	418,217
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Operating expenses	<u>144,733</u>
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Total	562,950
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Source of funds

Special funds	<u>562,950</u>
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Total	562,950
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Sec. B.233 Banking, insurance, securities, and health care administration -

health care administration

Personal services	4,338,993
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Operating expenses	<u>326,905</u>
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Total	4,665,898
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Source of funds

Special funds	2,767,074
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Global Commitment fund	<u>1,898,824</u>
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Total	4,665,898
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Sec. B.234 Secretary of state

Personal services	5,440,700
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Operating expenses	2,086,742
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Grants	<u>1,000,000</u>
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Total	8,527,442
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Source of funds

General fund	1,710,918
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Special funds	4,741,524
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Federal funds	2,000,000
Interdepartmental transfers	<u>75,000</u>
Total	8,527,442

Sec. B.235 Public service - regulation and energy

Personal services	9,060,185
Operating expenses	709,206
Grants	<u>68,219,007</u>
Total	77,988,398

Source of funds

ARRA funds	31,592,500
Special funds	45,238,098
Federal funds	<u>1,157,800</u>
Total	77,988,398

Sec. B.236 Public service - purchase and sale of power

Personal services	18,484
Operating expenses	<u>1,516</u>
Total	20,000

Source of funds

Special funds	<u>20,000</u>
Total	20,000

Sec. B.237 Public service board

Personal services	2,555,286
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Operating expenses	<u>320,000</u>
Total	2,875,286
Source of funds	
Special funds	<u>2,875,286</u>
Total	2,875,286
Sec. B.238 Enhanced 9-1-1 Board	
Personal services	2,098,342
Operating expenses	1,565,260
Grants	<u>1,823,443</u>
Total	5,487,045
Source of funds	
Special funds	<u>5,487,045</u>
Total	5,487,045
Sec. B.239 Human rights commission	
Personal services	375,041
Operating expenses	<u>68,917</u>
Total	443,958
Source of funds	
General fund	273,219
Federal funds	<u>170,739</u>
Total	443,958

Sec. B.240 Liquor control - administration

Personal services	1,495,953
Operating expenses	<u>543,031</u>
Total	2,038,984

Source of funds

Tobacco fund	6,661
Enterprise funds	1,789,323
Interdepartmental transfers	<u>243,000</u>
Total	2,038,984

Sec. B.241 Liquor control - enforcement and licensing

Personal services	1,963,476
Operating expenses	<u>344,075</u>
Total	2,307,551

Source of funds

Tobacco fund	289,645
Enterprise funds	<u>2,017,906</u>
Total	2,307,551

Sec. B.242 Liquor control - warehousing and distribution

Personal services	750,352
Operating expenses	<u>367,561</u>
Total	1,117,913

Source of funds

Enterprise funds	<u>1,117,913</u>
Total	1,117,913

Sec. B 243 Total Protection to persons and property

325,883,263

Source of funds

ARRA funds	39,851,349
General fund	92,877,618
Transportation fund	28,352,807
Special funds	101,271,217
Tobacco fund	740,418
Global Commitment fund	1,898,824
Federal funds	46,391,940
Enterprise funds	4,925,142
Interdepartmental transfers	<u>9,573,948</u>
Total	325,883,263

Sec. B.300 Human services - agency of human services - secretary's office

Personal services	10,016,218
Operating expenses	2,998,915
Grants	<u>5,099,439</u>
Total	18,114,572

Source of funds

General fund	5,333,921
Special funds	7,517
Tobacco fund	609,730
Global Commitment fund	398,400
Federal funds	8,068,443
Interdepartmental transfers	<u>3,696,561</u>
Total	18,114,572

Sec. B.301 Secretary's office - global commitment

Grants	<u>1,009,425,249</u>
Total	1,009,425,249

Source of funds

ARRA funds	111,206,921
General fund	56,946,630
Special funds	11,548,420
Tobacco fund	35,651,873
State health care resources fund	156,955,519
Catamount fund	18,903,594
Federal funds	617,849,638
Interdepartmental transfers	<u>362,654</u>
Total	1,009,425,249

Sec. B.302 Rate setting

Personal services	853,246
Operating expenses	<u>81,982</u>
Total	935,228

Source of funds

Global Commitment fund	<u>935,228</u>
Total	935,228

Sec. B.303 Developmental disabilities council

Personal services	240,797
Operating expenses	48,251
Grants	<u>220,000</u>
Total	509,048

Source of funds

Federal funds	<u>509,048</u>
Total	509,048

Sec. B.304 Human services board

Personal services	299,820
Operating expenses	<u>66,441</u>
Total	366,261

Source of funds

General fund	51,912
Federal funds	157,174

Interdepartmental transfers	<u>157,175</u>
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Total	366,261
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Sec. B.305 AHS - administrative fund

Personal services	500,000
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Operating expenses	<u>4,500,000</u>
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Total	5,000,000
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Source of funds

Interdepartmental transfers	<u>5,000,000</u>
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Total	5,000,000
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Sec. B.306 Office of Vermont health access - administration

Personal services	32,311,860
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Operating expenses	2,330,388
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Grants	<u>1,018,000</u>
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Total	35,660,248
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Source of funds

General fund	429,107
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Special funds	400,000
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Global Commitment fund	31,887,944
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Catamount fund	94,739
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Federal funds	<u>2,848,458</u>
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Total	35,660,248
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Sec. B.307 Office of Vermont health access - Medicaid program - global
commitment

Grants	<u>522,020,786</u>
Total	522,020,786

Source of funds

Global Commitment fund	<u>522,020,786</u>
Total	522,020,786

Sec. B.308 Office of Vermont health access - Medicaid program - long term
care waiver

Grants	<u>203,305,257</u>
Total	203,305,257

Source of funds

ARRA funds	22,465,253
General fund	61,072,899
Federal funds	<u>119,767,105</u>
Total	203,305,257

Sec. B.309 Office of Vermont health access - Medicaid program - state only

Grants	<u>33,024,951</u>
Total	33,024,951

Source of funds

General fund	28,195,859
Global Commitment fund	1,510,264

Catamount fund	<u>3,318,828</u>
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Total	33,024,951
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Sec. B.310 Office of Vermont health access - Medicaid non-waiver matched

Grants	<u>46,551,748</u>
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Total	46,551,748
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Source of funds

ARRA funds	1,060,380
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General fund	16,976,310
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Federal funds	<u>28,515,058</u>
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Total	46,551,748
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Sec. B.311 Health - administration and support

Personal services	6,222,550
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Operating expenses	2,812,966
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Grants	<u>2,892,000</u>
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Total	11,927,516
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Source of funds

General fund	1,083,788
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Special funds	324,678
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Global Commitment fund	4,419,832
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Federal funds	6,027,218
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Interdepartmental transfers	<u>72,000</u>
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Total	11,927,516
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Sec. B.312 Health - public health

Personal services	35,134,321
Operating expenses	7,080,700
Grants	<u>32,906,545</u>
Total	75,121,566

Source of funds

General fund	6,951,822
Special funds	4,611,472
Tobacco fund	1,166,803
Global Commitment fund	25,630,654
Catamount fund	4,349,418
Federal funds	31,809,266
Permanent trust funds	10,000
Interdepartmental transfers	<u>592,131</u>
Total	75,121,566

Sec. B.313 Health - alcohol and drug abuse programs

Personal services	3,195,089
Operating expenses	1,299,901
Grants	<u>26,950,849</u>
Total	31,445,839

Source of funds

General fund	3,063,665
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Special funds	236,210
Tobacco fund	2,382,834
Global Commitment fund	17,177,920
Federal funds	8,435,210
Interdepartmental transfers	<u>150,000</u>
Total	31,445,839

Sec. B.314 Mental health - mental health

Personal services	4,492,095
Operating expenses	562,604
Grants	<u>129,023,870</u>
Total	134,078,569

Source of funds

General fund	698,915
Special funds	6,836
Global Commitment fund	127,475,501
Federal funds	5,877,317
Interdepartmental transfers	<u>20,000</u>
Total	134,078,569

Sec. B.315 Mental health - Vermont state hospital

Personal services	20,480,654
Operating expenses	2,752,971
Grants	<u>82,335</u>

Total	23,315,960
Source of funds	
General fund	22,132,396
Special funds	170,000
Global Commitment fund	450,000
Federal funds	263,564
Interdepartmental transfers	<u>300,000</u>
Total	23,315,960

Sec. B.316 Department for children and families - administration & support services

Personal services	37,028,517
Operating expenses	7,305,795
Grants	<u>954,425</u>
Total	45,288,737
Source of funds	
ARRA funds	300,000
General fund	15,015,703
Global Commitment fund	15,855,197
Catamount fund	147,950
Federal funds	<u>13,969,887</u>
Total	45,288,737

Sec. B.317 Department for children and families - family services

Personal services	22,307,550
Operating expenses	3,312,909
Grants	<u>66,040,538</u>
Total	91,660,997

Source of funds

ARRA funds	1,411,224
General fund	18,452,530
Special funds	1,691,637
Tobacco fund	275,000
Global Commitment fund	41,892,793
Federal funds	27,837,813
Interdepartmental transfers	<u>100,000</u>
Total	91,660,997

Sec. B.318 Department for children and families - child development

Personal services	3,473,066
Operating expenses	545,908
Grants	<u>56,106,468</u>
Total	60,125,442

Source of funds

ARRA funds	2,452,636
General fund	23,481,012

Special funds	1,820,000
Global Commitment fund	5,221,053
Federal funds	27,011,234
Interdepartmental transfers	<u>139,507</u>
Total	60,125,442

Sec. B.319 Department for children and families - office of child support

Personal services	8,905,003
Operating expenses	<u>4,400,851</u>
Total	13,305,854

Source of funds

ARRA funds	660,000
General fund	2,671,384
Special funds	455,718
Federal funds	9,131,152
Interdepartmental transfers	<u>387,600</u>
Total	13,305,854

Sec. B.320 Department for children and families - aid to aged, blind and disabled

Personal services	1,801,009
Grants	<u>9,705,780</u>
Total	11,506,789

Source of funds

General fund	7,756,789
Global Commitment fund	<u>3,750,000</u>
Total	11,506,789

Sec. B.321 Department for children and families - general assistance

Grants	<u>6,000,928</u>
Total	6,000,928

Source of funds

ARRA funds	1,699,412
General fund	2,850,196
Global Commitment fund	340,000
Federal funds	<u>1,111,320</u>
Total	6,000,928

Sec. B.322 Department for children and families - food stamp cash out

Grants	<u>19,031,133</u>
Total	19,031,133

Source of funds

ARRA funds	2,300,000
Federal funds	<u>16,731,133</u>
Total	19,031,133

Sec. B.323 Department for children and families - reach up

Grants	<u>47,929,876</u>
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Total	47,929,876
Source of funds	
ARRA funds	5,485,423
General fund	15,462,246
Special funds	18,025,000
Global Commitment fund	374,400
Federal funds	<u>8,582,807</u>
Total	47,929,876

Sec. B.324 Department for children and families - home heating fuel
assistance/LIHEAP

Personal services	20,000
Operating expenses	90,000
Grants	<u>11,502,664</u>
Total	11,612,664
Source of funds	
Federal funds	<u>11,612,664</u>
Total	11,612,664

Sec. B.325 Department for children and families - office of economic
opportunity

Personal services	250,236
Operating expenses	78,644
Grants	<u>8,610,062</u>

Total	8,938,942
Source of funds	
ARRA funds	3,775,000
General fund	1,313,017
Special funds	57,810
Federal funds	<u>3,793,115</u>
Total	8,938,942
Sec. B.326 Department for children and families - OEO - weatherization assistance	

Personal services	174,293
Operating expenses	130,499
Grants	<u>14,959,936</u>
Total	15,264,728

Source of funds	
ARRA funds	8,421,288
Special funds	4,593,774
Federal funds	<u>2,249,666</u>
Total	15,264,728

Sec. B.327 Department for children and families - Woodside rehabilitation center

Personal services	3,482,661
Operating expenses	<u>630,581</u>

Total	4,113,242
Source of funds	
General fund	4,058,350
Interdepartmental transfers	<u>54,892</u>
Total	4,113,242
Sec. B.328 Department for children and families - disability determination services	
Personal services	3,508,357
Operating expenses	<u>624,291</u>
Total	4,132,648
Source of funds	
Global Commitment fund	246,517
Federal funds	<u>3,886,131</u>
Total	4,132,648
Sec. B.329 Disabilities, aging and independent living - administration & support	
Personal services	24,693,635
Operating expenses	<u>3,762,989</u>
Total	28,456,624
Source of funds	
General fund	6,952,640
Special funds	1,068,022

Global Commitment fund	6,329,926
Federal funds	11,666,254
Interdepartmental transfers	<u>2,439,782</u>
Total	28,456,624

Sec. B.330 Disabilities, aging and independent living - advocacy and independent living grants

Grants	<u>22,371,437</u>
Total	22,371,437

Source of funds

ARRA funds	404,000
General fund	10,229,301
Global Commitment fund	3,455,319
Federal funds	7,645,317
Interdepartmental transfers	<u>637,500</u>
Total	22,371,437

Sec. B.331 Disabilities, aging and independent living - blind and visually impaired

Grants	<u>1,486,457</u>
Total	1,486,457

Source of funds

General fund	364,064
Special funds	223,450

Global Commitment fund	250,000
Federal funds	<u>648,943</u>
Total	1,486,457

Sec. B.332 Disabilities, aging and independent living - vocational
rehabilitation

Grants	<u>7,302,971</u>
Total	7,302,971

Source of funds

ARRA funds	1,334,000
General fund	1,535,695
Global Commitment fund	7,500
Federal funds	4,132,389
Interdepartmental transfers	<u>293,387</u>
Total	7,302,971

Sec. B.333 Disabilities, aging and independent living - developmental services

Grants	<u>140,669,369</u>
Total	140,669,369

Source of funds

General fund	172,625
Special funds	15,463
Global Commitment fund	140,121,424
Federal funds	<u>359,857</u>

Total	140,669,369
Sec. B.334 Disabilities, aging and independent living -TBI home and community based waiver	
Grants	<u>4,127,448</u>
Total	4,127,448
Source of funds	
Global Commitment fund	<u>4,127,448</u>
Total	4,127,448
Sec. B.335 Corrections - administration	
Personal services	2,348,301
Operating expenses	<u>302,104</u>
Total	2,650,405
Source of funds	
General fund	<u>2,650,405</u>
Total	2,650,405
Sec. B.336 Corrections - parole board	
Personal services	320,374
Operating expenses	<u>58,121</u>
Total	378,495
Source of funds	
General fund	<u>378,495</u>
Total	378,495

Sec. B.337 Corrections - correctional education

Personal services	4,016,553
Operating expenses	<u>306,274</u>
Total	4,322,827

Source of funds

General fund	413,648
Special funds	500,000
Interdepartmental transfers	<u>3,409,179</u>
Total	4,322,827

Sec. B.338 Corrections - correctional services

Personal services	79,298,255
Operating expenses	34,200,620
Grants	<u>1,695,800</u>
Total	115,194,675

Source of funds

General fund	110,863,161
Special funds	483,963
Tobacco fund	87,500
Global Commitment fund	3,094,144
Federal funds	584,861
Interdepartmental transfers	<u>81,046</u>
Total	115,194,675

Sec. B.339 Correctional services-out of state beds

Personal services	<u>12,609,534</u>
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Total	12,609,534
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Source of funds

General fund	<u>12,609,534</u>
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Total	12,609,534
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Sec. B.340 Corrections - correctional facilities - recreation

Personal services	436,744
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Operating expenses	<u>349,076</u>
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Total	785,820
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Source of funds

General fund	125,000
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Special funds	<u>660,820</u>
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Total	785,820
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Sec. B.341 Corrections - Vermont offender work program

Personal services	1,154,973
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Operating expenses	<u>554,103</u>
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Total	1,709,076
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Source of funds

Internal service funds	<u>1,709,076</u>
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Total	1,709,076
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Sec. B.342 Vermont veterans' home - care and support services

Personal services	14,896,756
Operating expenses	<u>3,362,067</u>
Total	18,258,823

Source of funds

Special funds	10,931,473
Global Commitment fund	837,225
Federal funds	<u>6,490,125</u>
Total	18,258,823

Sec. B.343 Commission on women

Personal services	224,632
Operating expenses	<u>67,273</u>
Total	291,905

Source of funds

General fund	286,905
Special funds	<u>5,000</u>
Total	291,905

Sec. B.344 Retired senior volunteer program

Grants	<u>131,096</u>
Total	131,096

Source of funds

General fund	<u>131,096</u>
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Total	131,096
Sec. B.345 Total human services	2,850,461,740
Source of funds	
ARRA funds	162,975,537
General fund	440,711,020
Special funds	57,837,263
Tobacco fund	40,173,740
Global Commitment fund	957,809,475
State health care resources fund	156,955,519
Catamount fund	26,814,529
Federal funds	987,572,167
Permanent trust funds	10,000
Internal service funds	1,709,076
Interdepartmental transfers	<u>17,893,414</u>
Total	2,850,461,740
Sec. B.400 Labor - administration	
Personal services	4,900,419
Operating expenses	<u>577,547</u>
Total	5,477,966
Source of funds	
ARRA funds	1,875,000
General fund	531,937

Special funds	266,110
Catamount fund	25,424
Federal funds	2,412,145
Interdepartmental transfers	<u>367,350</u>
Total	5,477,966

Sec. B.401 Labor - programs

Personal services	21,048,615
Operating expenses	4,726,026
Grants	<u>7,216,529</u>
Total	32,991,170

Source of funds

ARRA funds	6,793,753
General fund	2,058,632
Special funds	2,947,118
Catamount fund	368,648
Federal funds	18,786,531
Interdepartmental transfers	<u>2,036,488</u>
Total	32,991,170

Sec. B.402 Labor - domestic and sexual violence survivors' transitional
employment program

Grants	<u>30,000</u>
Total	30,000

Source of funds	
Special funds	<u>30,000</u>
Total	30,000
Sec. B 403 Total Labor	38,499,136
Source of funds	
ARRA funds	8,668,753
General fund	2,590,569
Special funds	3,243,228
Catamount fund	394,072
Federal funds	21,198,676
Interdepartmental transfers	<u>2,403,838</u>
Total	38,499,136
Sec. B.500 Education - finance and administration	
Personal services	5,498,188
Operating expenses	1,651,304
Grants	<u>12,084,730</u>
Total	19,234,222
Source of funds	
General fund	3,409,206
Special funds	12,951,342
Global Commitment fund	858,212
Federal funds	2,010,732

Interdepartmental transfers	<u>4,730</u>
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Total	19,234,222
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Sec. B.501 Education - education services

Personal services	13,136,696
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Operating expenses	1,873,037
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Grants	<u>113,036,906</u>
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Total	128,046,639
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Source of funds

General fund	5,410,358
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Education fund	1,131,751
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Special funds	2,189,254
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Federal funds	119,289,540
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Interdepartmental transfers	<u>25,736</u>
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Total	128,046,639
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Sec. B.502 Education - special education: formula grants

Grants	<u>142,687,975</u>
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Total	142,687,975
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Source of funds

Education fund	142,457,975
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Global Commitment fund	<u>230,000</u>
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Total	142,687,975
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Sec. B.503 Education - state-placed students

Grants	<u>18,900,000</u>
Total	18,900,000

Source of funds

Education fund	<u>18,900,000</u>
Total	18,900,000

Sec. B.504 Education - adult education and literacy

Grants	<u>6,463,656</u>
Total	6,463,656

Source of funds

General fund	2,587,995
Education fund	3,000,000
Federal funds	<u>875,661</u>
Total	6,463,656

Sec. B.505 Education - adjusted education payment

Grants	<u>1,136,100,000</u>
Total	1,136,100,000

Source of funds

ARRA funds	38,575,036
Education fund	<u>1,097,524,964</u>
Total	1,136,100,000

Sec. B.506 Education - transportation

Grants	<u>15,542,809</u>
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Total	15,542,809
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Source of funds

Education fund	<u>15,542,809</u>
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Total	15,542,809
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Sec. B.507 Education - small school grants

Grants	<u>6,977,336</u>
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Total	6,977,336
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Source of funds

Education fund	<u>6,977,336</u>
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Total	6,977,336
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Sec. B.508 Education - capital debt service aid

Grants	<u>188,000</u>
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Total	188,000
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Source of funds

Education fund	<u>188,000</u>
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Total	188,000
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Sec. B.509 Education - tobacco litigation

Personal services	131,153
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Operating expenses	57,584
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Grants	<u>800,180</u>
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Total	988,917
Source of funds	
Tobacco fund	<u>988,917</u>
Total	988,917
Sec. B.510 Education - essential early education grant	
Grants	<u>5,700,000</u>
Total	5,700,000
Source of funds	
Education fund	<u>5,700,000</u>
Total	5,700,000
Sec. B.511 Education - technical education	
Grants	<u>12,800,000</u>
Total	12,800,000
Source of funds	
Education fund	<u>12,800,000</u>
Total	12,800,000
Sec. B.512 Education - Act 117 cost containment	
Personal services	1,070,398
Operating expenses	121,307
Grants	<u>91,000</u>
Total	1,282,705

Source of funds

Special funds	<u>1,282,705</u>
Total	1,282,705

Sec. B.513 Appropriation and transfer to education fund

Grants	<u>239,303,944</u>
Total	239,303,944

Source of funds

General fund	<u>239,303,944</u>
Total	239,303,944

Sec. B.514 State teachers' retirement system

Personal services	26,629,115
Operating expenses	942,527
Grants	<u>40,228,002</u>
Total	67,799,644

Source of funds

General fund	40,228,002
Pension trust funds	<u>27,571,642</u>
Total	67,799,644

Sec. B 515 Total general education 1,802,015,847

Source of funds

ARRA funds	38,575,036
General fund	290,939,505

Education fund	1,304,222,835
Special funds	16,423,301
Tobacco fund	988,917
Global Commitment fund	1,088,212
Federal funds	122,175,933
Pension trust funds	27,571,642
Interdepartmental transfers	<u>30,466</u>
Total	1,802,015,847

Sec. B.600 University of Vermont

Grants	<u>40,746,629</u>
Total	40,746,629

Source of funds

General fund	36,740,473
Global Commitment fund	<u>4,006,156</u>
Total	40,746,629

Sec. B.601 Vermont Public Television

Grants	<u>564,620</u>
Total	564,620

Source of funds

General fund	<u>564,620</u>
Total	564,620

Sec. B.602 Vermont state colleges

Grants	<u>23,155,213</u>
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Total	23,155,213
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Source of funds

General fund	<u>23,155,213</u>
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Total	23,155,213
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Sec. B.603 Vermont state colleges - allied health

Grants	<u>1,068,537</u>
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Total	1,068,537
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Source of funds

General fund	663,130
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Global Commitment fund	<u>405,407</u>
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Total	1,068,537
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Sec. B.604 Vermont interactive television

Grants	<u>785,679</u>
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Total	785,679
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Source of funds

General fund	<u>785,679</u>
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Total	785,679
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Sec. B.605 Vermont student assistance corporation

Grants	<u>18,363,607</u>
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Total	18,363,607
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Source of funds

General fund	<u>18,363,607</u>
Total	18,363,607

Sec. B.606 New England higher education compact

Grants	<u>84,000</u>
Total	84,000

Source of funds

General fund	<u>84,000</u>
Total	84,000

Sec. B.607 University of Vermont - Morgan Horse Farm

Grants	<u>1</u>
Total	1

Source of funds

General fund	<u>1</u>
Total	1

Sec. B 608 Total higher education 84,768,286

Source of funds

General fund	80,356,723
Global Commitment fund	<u>4,411,563</u>
Total	84,768,286

Sec. B.700 Natural resources - agency of natural resources - administration

Personal services	3,830,378
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Operating expenses	1,506,066
Grants	<u>25,000</u>
Total	5,361,444

Source of funds

General fund	4,794,914
Federal funds	278,120
Interdepartmental transfers	<u>288,410</u>
Total	5,361,444

Sec. B.701 Connecticut river watershed advisory commission

Grants	<u>38,000</u>
Total	38,000

Source of funds

General fund	<u>38,000</u>
Total	38,000

Sec. B.702 Citizens' advisory committee on Lake Champlain's future

Personal services	3,600
Operating expenses	<u>3,900</u>
Total	7,500

Source of funds

General fund	<u>7,500</u>
Total	7,500

Sec. B.703 Natural resources - state land local property tax assessment

Operating expenses	<u>2,128,733</u>
Total	2,128,733

Source of funds

General fund	1,707,233
Interdepartmental transfers	<u>421,500</u>
Total	2,128,733

Sec. B.704 Green up

Operating expenses	7,594
Grants	<u>10,550</u>
Total	18,144

Source of funds

Special funds	<u>18,144</u>
Total	18,144

Sec. B.705 Fish and wildlife - support and field services

Personal services	12,437,985
Operating expenses	4,482,575
Grants	<u>774,333</u>
Total	17,694,893

Source of funds

General fund	1,227,419
Fish and wildlife fund	16,230,474

Interdepartmental transfers	<u>237,000</u>
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Total	17,694,893
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Sec. B.706 Fish and wildlife - watershed improvement

Grants	<u>125,000</u>
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Total	125,000
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Source of funds

Fish and wildlife fund	<u>125,000</u>
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Total	125,000
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Sec. B.707 Forests, parks and recreation - administration

Personal services	1,020,309
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Operating expenses	555,710
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Grants	<u>1,858,450</u>
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Total	3,434,469
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Source of funds

General fund	1,223,859
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Special funds	1,305,610
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Federal funds	<u>905,000</u>
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Total	3,434,469
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Sec. B.708 Forests, parks and recreation - forestry

Personal services	4,482,990
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Operating expenses	579,205
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Grants	<u>343,000</u>
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Total	5,405,195
Source of funds	
General fund	3,633,694
Special funds	474,501
Federal funds	1,140,000
Interdepartmental transfers	<u>157,000</u>
Total	5,405,195
Sec. B.709 Forests, parks and recreation - state parks	
Personal services	5,381,818
Operating expenses	<u>1,989,011</u>
Total	7,370,829
Source of funds	
General fund	767,889
Special funds	<u>6,602,940</u>
Total	7,370,829
Sec. B.710 Forests, parks and recreation - lands administration	
Personal services	443,601
Operating expenses	<u>1,209,081</u>
Total	1,652,682
Source of funds	
General fund	368,477
Special funds	179,205

Federal funds	1,050,000
Interdepartmental transfers	<u>55,000</u>
Total	1,652,682

Sec. B.711 Forests, parks and recreation - youth conservation corps

Grants	<u>751,666</u>
Total	751,666

Source of funds

General fund	46,000
Special funds	361,666
Federal funds	94,000
Interdepartmental transfers	<u>250,000</u>
Total	751,666

Sec. B.712 Forests, parks and recreation - forest highway maintenance

Personal services	20,000
Operating expenses	<u>159,266</u>
Total	179,266

Source of funds

General fund	<u>179,266</u>
Total	179,266

Sec. B.713 Environmental conservation - management and support services

Personal services	4,043,142
Operating expenses	806,015

Grants	<u>103,913</u>
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Total	4,953,070
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Source of funds

General fund	1,065,644
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Special funds	2,425,301
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Federal funds	1,407,125
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Interdepartmental transfers	<u>55,000</u>
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Total	4,953,070
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Sec. B.714 Environmental conservation - air and waste management

Personal services	7,183,059
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Operating expenses	6,483,565
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Grants	<u>1,386,000</u>
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Total	15,052,624
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Source of funds

General fund	619,928
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Special funds	10,783,016
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Federal funds	3,439,680
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Interdepartmental transfers	<u>210,000</u>
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Total	15,052,624
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Sec. B.715 Environmental conservation - office of water programs

Personal services	13,507,863
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Operating expenses	1,964,999
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Grants	<u>2,165,402</u>
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Total	17,638,264
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Source of funds

General fund	6,336,970
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Special funds	4,419,321
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Federal funds	6,401,973
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Interdepartmental transfers	<u>480,000</u>
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Total	17,638,264
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Sec. B.716 Environmental conservation - tax-loss-Connecticut river flood control

Operating expenses	<u>40,000</u>
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Total	40,000
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Source of funds

Special funds	<u>40,000</u>
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Total	40,000
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Sec. B.717 Natural resources board

Personal services	2,259,294
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Operating expenses	<u>347,320</u>
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Total	2,606,614
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Source of funds

General fund	816,942
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Special funds	<u>1,789,672</u>
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Total	2,606,614
Sec. B.718 Total natural resources	84,458,393
Source of funds	
General fund	22,833,735
Fish and wildlife fund	16,355,474
Special funds	28,399,376
Federal funds	14,715,898
Interdepartmental transfers	<u>2,153,910</u>
Total	84,458,393

Sec. B.800 Commerce and community development - agency of commerce
and community development - administration

Personal services	1,914,002
Operating expenses	642,659
Grants	<u>1,136,390</u>
Total	3,693,051

Source of funds

General fund	2,793,051
Federal funds	800,000
Interdepartmental transfers	<u>100,000</u>
Total	3,693,051

Sec. B.801 Housing and community affairs

Personal services	2,333,275
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Operating expenses	420,760
Grants	<u>16,529,461</u>
Total	19,283,496

Source of funds

General fund	1,153,070
Special funds	3,210,948
Federal funds	14,881,478
Interdepartmental transfers	<u>38,000</u>
Total	19,283,496

Sec. B.802 Historic sites - operations

Personal services	593,585
Operating expenses	338,745
Grants	<u>2,850</u>
Total	935,180

Source of funds

General fund	545,528
Special funds	<u>389,652</u>
Total	935,180

Sec. B.803 Historic sites - special improvements

Personal services	108,200
Operating expenses	<u>76,247</u>
Total	184,447

Source of funds

Special funds	50,000
Federal funds	113,449
Interdepartmental transfers	<u>20,998</u>
Total	184,447

Sec. B.804 Community development block grants

Grants	<u>9,428,530</u>
Total	9,428,530

Source of funds

ARRA funds	1,982,000
Federal funds	<u>7,446,530</u>
Total	9,428,530

Sec. B.805 Downtown transportation and capital improvement fund

Personal services	72,978
Grants	<u>327,022</u>
Total	400,000

Source of funds

Special funds	<u>400,000</u>
Total	400,000

Sec. B.806 Economic development

Personal services	1,530,824
Operating expenses	619,677

Grants	<u>1,741,434</u>
Total	3,891,935
Source of funds	
General fund	2,926,585
Special funds	465,350
Federal funds	<u>500,000</u>
Total	3,891,935
Sec. B.807 Vermont training program	
Personal services	197,200
Operating expenses	22,334
Grants	<u>1,483,621</u>
Total	1,703,155
Source of funds	
General fund	1,668,155
Special funds	<u>35,000</u>
Total	1,703,155
Sec. B.808 Tourism and marketing	
Personal services	1,448,276
Operating expenses	2,008,976
Grants	<u>171,000</u>
Total	3,628,252

Source of funds

General fund	3,622,252
Special funds	<u>6,000</u>
Total	3,628,252

Sec. B.809 Vermont life

Personal services	740,669
Operating expenses	<u>110,309</u>
Total	850,978

Source of funds

Enterprise funds	<u>850,978</u>
Total	850,978

Sec. B.810 Vermont council on the arts

Grants	<u>507,607</u>
Total	507,607

Source of funds

General fund	<u>507,607</u>
Total	507,607

Sec. B.811 Vermont symphony orchestra

Grants	<u>113,821</u>
Total	113,821

Source of funds

General fund	<u>113,821</u>
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Total	113,821
Sec. B.812 Vermont historical society	
Grants	<u>795,669</u>
Total	795,669
Source of funds	
General fund	<u>795,669</u>
Total	795,669
Sec. B.813 Vermont housing and conservation board	
Grants	<u>19,933,436</u>
Total	19,933,436
Source of funds	
Special funds	8,326,662
Federal funds	<u>11,606,774</u>
Total	19,933,436
Sec. B.814 Vermont humanities council	
Grants	<u>172,670</u>
Total	172,670
Source of funds	
General fund	<u>172,670</u>
Total	172,670

Sec. B 815 Total commerce and community development

65,522,227

Source of funds

ARRA funds	1,982,000
General fund	14,298,408
Special funds	12,883,612
Federal funds	35,348,231
Enterprise funds	850,978
Interdepartmental transfers	<u>158,998</u>
Total	65,522,227

Sec. B.900 Transportation - finance and administration

Personal services	10,071,137
Operating expenses	<u>2,438,262</u>
Total	12,509,399

Source of funds

Transportation fund	12,009,399
Federal funds	<u>500,000</u>
Total	12,509,399

Sec. B.901 Transportation - aviation

Personal services	1,448,274
Operating expenses	20,033,801
Grants	<u>160,000</u>

Total	21,642,075
Source of funds	
ARRA funds	4,000,000
Transportation fund	2,226,575
Federal funds	<u>15,415,500</u>
Total	21,642,075
Sec. B.902 Transportation - buildings	
Operating expenses	<u>1,311,500</u>
Total	1,311,500
Source of funds	
Transportation fund	<u>1,311,500</u>
Total	1,311,500
Sec. B.903 Transportation - program development	
Personal services	36,275,422
Operating expenses	203,632,747
Grants	<u>25,834,622</u>
Total	265,742,791
Source of funds	
ARRA funds	93,584,644
TIB fund	10,455,822
Transportation fund	20,940,808
Local match	1,600,430

Federal funds	132,384,837
Interdepartmental transfers	<u>6,776,250</u>
Total	265,742,791

Sec. B.904 Transportation - rest areas

Personal services	100,000
Operating expenses	<u>2,850,000</u>
Total	2,950,000

Source of funds

Transportation fund	379,740
Federal funds	<u>2,570,260</u>
Total	2,950,000

Sec. B.905 Transportation - maintenance state system

Personal services	34,028,928
Operating expenses	32,011,361
Grants	<u>278,020</u>
Total	66,318,309

Source of funds

Transportation fund	63,335,237
Federal funds	2,883,072
Interdepartmental transfers	<u>100,000</u>
Total	66,318,309

Sec. B.906 Transportation - policy and planning

Personal services	4,099,519
Operating expenses	1,169,550
Grants	<u>5,024,772</u>
Total	10,293,841

Source of funds

Transportation fund	2,295,512
Federal funds	7,623,486
Interdepartmental transfers	<u>374,843</u>
Total	10,293,841

Sec. B.907 Transportation - rail

Personal services	3,625,048
Operating expenses	<u>16,770,876</u>
Total	20,395,924

Source of funds

Transportation fund	10,042,149
Federal funds	<u>10,353,775</u>
Total	20,395,924

Sec. B.908 Transportation - bridge maintenance

Operating expenses	<u>34,051,340</u>
Total	34,051,340

Source of funds

ARRA funds	6,244,047
TIB fund	234,020
Transportation fund	4,011,751
Federal funds	<u>23,561,522</u>
Total	34,051,340

Sec. B.909 Transportation - public transit

Personal services	717,809
Operating expenses	51,301
Grants	<u>25,490,729</u>
Total	26,259,839

Source of funds

ARRA funds	3,926,923
Transportation fund	6,328,234
Federal funds	<u>16,004,682</u>
Total	26,259,839

Sec. B.910 Transportation - central garage

Personal services	3,454,724
Operating expenses	<u>13,393,351</u>
Total	16,848,075

Source of funds

Internal service funds	<u>16,848,075</u>
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Total	16,848,075
Sec. B.911 Department of motor vehicles	
Personal services	16,913,642
Operating expenses	8,116,673
Grants	<u>50,000</u>
Total	25,080,315
Source of funds	
Transportation fund	23,597,821
Federal funds	<u>1,482,494</u>
Total	25,080,315
Sec. B.912 Transportation - town highway structures	
Grants	<u>3,833,500</u>
Total	3,833,500
Source of funds	
Transportation fund	<u>3,833,500</u>
Total	3,833,500
Sec. B.913 Transportation - town highway Vermont local roads	
Grants	<u>375,000</u>
Total	375,000
Source of funds	
Transportation fund	235,000
Federal funds	<u>140,000</u>

Total	375,000
Sec. B.914 Transportation - town highway class 2 roadway	
Grants	<u>5,748,750</u>
Total	5,748,750
Source of funds	
Transportation fund	<u>5,748,750</u>
Total	5,748,750
Sec. B.915 Transportation - town highway bridges	
Personal services	3,570,000
Operating expenses	<u>22,499,416</u>
Total	26,069,416
Source of funds	
ARRA funds	9,442,034
TIB fund	1,875,976
Transportation fund	500,000
Local match	1,393,370
Federal funds	<u>12,858,036</u>
Total	26,069,416
Sec. B.916 Transportation - town highway aid program	
Grants	<u>24,982,744</u>
Total	24,982,744

Source of funds

Transportation fund	<u>24,982,744</u>
Total	24,982,744

Sec. B.917 Transportation - town highway class 1 supplemental grants

Grants	<u>128,750</u>
Total	128,750

Source of funds

Transportation fund	<u>128,750</u>
Total	128,750

Sec. B.918 Transportation - town highway emergency fund

Grants	<u>750,000</u>
Total	750,000

Source of funds

Transportation fund	<u>750,000</u>
Total	750,000

Sec. B.919 Transportation - municipal mitigation grant program

Grants	<u>2,112,998</u>
Total	2,112,998

Source of funds

Transportation fund	247,998
Federal funds	<u>1,865,000</u>
Total	2,112,998

Sec. B.920 Transportation - public assistance grant program

Grants	<u>200,000</u>
Total	200,000

Source of funds

Federal funds	<u>200,000</u>
Total	200,000

Sec. B.921 Transportation board

Personal services	73,502
Operating expenses	<u>13,389</u>
Total	86,891

Source of funds

Transportation fund	<u>86,891</u>
Total	86,891

Sec. B.922 Total transportation 567,691,457

Source of funds

ARRA funds	117,197,648
TIB fund	12,565,818
Transportation fund	182,992,359
Local match	2,993,800
Federal funds	227,842,664
Internal service funds	16,848,075
Interdepartmental transfers	<u>7,251,093</u>

Total	567,691,457
Sec. B.1000 Debt service	
Debt service	<u>70,804,150</u>
Total	70,804,150
Source of funds	
General fund	64,743,920
Transportation fund	3,560,515
Special funds	<u>2,499,715</u>
Total	70,804,150
Sec. B.1000.1 Short term borrowing	
Debt service	<u>1,176,792</u>
Total	1,176,792
Source of funds	
General fund	<u>1,176,792</u>
Total	1,176,792
Sec. B 1001 Total debt service	71,980,942
Source of funds	
General fund	65,920,712
Transportation fund	3,560,515
Special funds	<u>2,499,715</u>
Total	71,980,942

Sec. B.1100 FISCAL YEAR 2010 NEXT GENERATION APPROPRIATION

(a) In fiscal year 2010, the following amount is appropriated from the next generation initiative fund, created in 16 V.S.A. § 2887 as prescribed by Sec.

E.1100: \$3,293,000

Sec. B.1101 FISCAL YEAR 2010 ONE TIME APPROPRIATIONS

(a) In fiscal year 2010, the following amounts are appropriated from the general fund:

(1) To the University of Vermont. \$5,175,298

(2) To the Vermont state colleges. \$3,445,674

(3) To the Vermont student assistance corporation. \$2,489,990

(4) To the Vermont housing and conservation board for a grant to the Vermont center for independent living to fund the home access program in fiscal year 2010. \$1,000,000

(5) To the Vermont state colleges to grow the endowment and to be used in a manner consistent with that specified in Sec. 381a (a)(13) of Act 65 of 2007. \$100,000

(6) To the department of tourism and marketing of which \$100,000 shall be for a grant to the Vermont convention bureau overseen by the Lake Champlain Regional Chamber of Commerce and \$20,000 shall be for a grant to the Shires of Vermont. \$120,000

(7) To the legislature, for planning and preparation for the 2009 council of state governments northeast regional meeting in Vermont.

\$50,000

(8) To the department of economic development for a grant to Sterling College for student residency and program center costs. The department shall determine if the ARRA State Fiscal Stabilization Funds Government Services Funds could be utilized to make this grant. To the extent that ARRA funds are available, this general fund appropriation shall be transferred to the department of public safety-state police in place of ARRA funds appropriated to that department.

\$350,000

(9) To the state treasurer for costs of the study in Sec. E.135.1 of this act.

\$150,000

(10) To the legislature for the purposes of Sec. H.47b(b) of this act.

\$100,000

(11) To the department of economic development for the commissioner to grant to regional planning commission and regional development commissions.

\$300,000

(b) In fiscal year 2010 the following amounts are appropriated from the American Recovery and Reinvestment: State Fiscal Stabilization Fund Government Services Fund.

(1) Appropriated for economic development activities as specified on Sec. D.109 of this act and H.313 of 2009 to further job creation in Vermont.

\$3,400,000

- (2) To the department of economic development for the program operations of the Vermont Training Program. \$200,000
- (3) To the department of tourism and marketing. \$500,000

Sec. B.1102 REPEAL

(a) Sec. 3(a)(2)(B) of No. 206 of the Acts of 2008 (fiscal year 2010 transportation fund pay act) is repealed.

Sec. B.1103 APPROPRIATION REDUCTION; EXPENDITURE REDUCTION

(a) The secretary of administration shall reduce fiscal year 2010 general and transportation fund appropriations consistent with expenditure reductions, including reductions in positions, and is authorized to substitute appropriation adjustments in other funds and to effect fund transfers to the general and transportation funds to achieve these amounts. The general fund appropriation reduction shall be \$14,700,000 and the transportation fund reduction shall be \$1,400,000 and shall be made in accordance with the provision of Sec. E.1103 of this act.

(b) The secretary of administration is directed to reduce operating expense appropriations throughout the executive branch of state government by \$16,560 in general funds.

Sec. B.1104 AGENCY OF HUMAN SERVICES; GRANT REDUCTIONS

(a) The secretary of human services shall reduce grants and contracts appropriated from general funds in the amount of \$740,000, of which no more

than \$425,000 shall be reduced from the grants and contracts associated with the department for children and families. The secretary may adjust spending of federal funds or special funds when necessary, because the general funds are providing a funding match. To accomplish this reduction in general funds, the secretary shall use the following criteria to determine which grants and contracts are impacted and by how much. The criteria are:

(1) the preservation of direct services to Vermonters;

(2) the preservation of direct services to vulnerable populations most at risk for negative outcomes, including prioritizing twenty-four hour residential programs and emergency direct services;

(3) the minimization of reductions in services currently provided that would result in an increase in the severity of need and a shift in utilization to more invasive, intensive, or expensive services; and

(4) the minimization of negative impacts on the stability of community organizations receiving grants and contracts in order to promote a range of services to individuals and families.

(b) The agency of human services shall report to the joint fiscal committee at its July 2009 meeting with the grant reduction plan and an explanation for how the plan fits the priorities required in this section. No later than January 15, 2010, the agency shall report to the house committees on appropriations and on human services and the senate committees on

appropriations and on health and welfare with an updated grant reduction plan and an explanation for how the plan fits the priorities required in this section.

* * * Fiscal Year 2009 Budget Adjustment * * *

Sec. C.100 Sec. 2.121 of No. 192 of the Acts of 2008, as amended by Sec. 11 of No. 4 of the Acts of 2009 is further amended to read:

Sec. 2.121. Center for crime victims services

Personal services	1,404,168	1,404,168
Operating expenses	318,275	318,275
Grants	<u>9,091,834</u>	<u>9,474,834</u>
Total	10,814,277	11,197,277
Source of funds		
General fund	49,809	49,809
Special funds	6,899,390	7,282,390
Federal funds	<u>3,865,078</u>	<u>3,865,078</u>
Total	10,814,277	11,197,277

Sec. C.101 Sec. 2.136 of No. 192 of the Acts of 2008 is amended to read:

Sec. 2.136. Public service - regulation and energy

Personal services	4,981,246	5,165,246
Operating expenses	690,524	690,524
Grants	<u>5,770,007</u>	<u>5,770,007</u>
Total	11,441,777	11,625,777

Source of funds

Special funds	10,248,977	10,432,977
Federal funds	1,157,800	1,157,800
Interdepartmental transfer	<u>35,000</u>	<u>35,000</u>
Total	11,441,777	11,625,777

Sec. C.102 Sec. 2.145 of No. 192 of the Acts of 2008 as amended by Sec. 13

of No. 4 of the Acts of 2009 is further amended to read:

Sec. 2.145. Total protection to persons and property

~~259,245,579~~ 259,812,579

Source of funds

General fund	93,104,352	93,104,352
Transportation fund	32,725,324	32,725,324
Special funds	66,924,640	67,491,640
Tobacco fund	696,306	696,306
Global Commitment fund	1,898,824	1,898,824
Federal funds	49,775,682	49,775,682
Enterprise funds	4,735,317	4,735,317
Interdepartmental transfer	<u>9,385,134</u>	<u>9,385,134</u>
Total	259,245,579	259,812,579

Sec. C. 103 Sec. 2.223 of No. 192 of the Acts of 2008 as amended by Sec. 29 of No. 4 of the Acts of 2009 is further amended to read:

Sec. 2.223. Department for children and families - child development

Personal services	3,338,891	3,338,891
Operating expenses	843,660	520,557
Grants	51,064,583	<u>54,940,903</u>
Total	55,247,134	58,800,351

Source of funds

General fund	23,228,747	25,195,964
Special funds	865,000	865,000
Global Commitment fund	4,289,469	5,365,469
<u>Federal ARRA funds</u>		426,000
Federal funds	26,724,411	26,808,411
Interdepartmental transfer	<u>139,507</u>	<u>139,507</u>
Total	55,247,134	58,800,351

Sec. C 104 Sec. 2.251 of No. 192 of the Acts of 2008 as amended by Sec. 46 of No. 4 of the Acts of 2009 is further amended to read:

Sec. 2.251. Total human services ~~2,649,379,658~~ 2,693,603,326

Source of funds

General fund	521,931,597	474,056,196
Special funds	66,707,178	64,844,465
Tobacco fund	45,410,381	45,410,381

Global Commitment fund	906,593,258	914,305,775
State health care resources fund	147,623,246	148,261,016
Catamount fund	31,073,806	23,769,031
Federal funds	916,671,195	933,916,880
<u>Federal ARRA funds</u>		75,886,880
Permanent trust funds	10,000	10,000
Internal service funds	3,282,548	3,282,548
Interdepartmental transfer	10,076,449	<u>9,757,097</u>
Total	2,649,379,658	2,693,603,326

Sec. C.105 FISCAL YEAR 2009 – ARRA APPROPRIATIONS

(a) In addition to funds appropriated elsewhere, the following appropriation of American Recovery and Reinvestment Act funds is authorized in fiscal year 2009.

(1) \$60,049 to the agency of human services for the Vermont commission on national and community service.

(2) \$1,225,000 to the department for children and families - office of economic opportunity for Community Services Block Grant funding.

(3) \$131,911 to the department for children and families - child development as a result of IV-E enhanced match. This is anticipated to allow a like amount of funding to carry forward and be available to offset fiscal year 2010 funding need.

(4) \$1,048,199 to the department for children and families - family

services as a result of IV-E enhanced match. This is anticipated to allow a like amount of funding to carry forward and be available to offset fiscal year 2010 funding need.

(5) \$540,660 to the department for children and families - food stamp cash out for supplemental nutrition assistance program funding.

(6) \$280,364 to the department of disabilities, aging, and independent living - vocational rehabilitation for rehabilitation services.

(7) \$81,000 to the department of disabilities, aging, and independent living - advocacy and independent living grants for senior nutrition funds.

(8) \$3,000 to the department of disabilities, aging, and independent living - advocacy and independent living grants for senior community service employment.

(9) \$44,649 to the department of disabilities, aging, and independent living - blind and visually impaired.

(10) \$50,000 to the department of labor for state unemployment and employment service operations including job counseling and other assistance to workers.

(11) \$350,000 to the department of labor for employment and training assistance to economically disadvantaged youth with employment barriers.

Sec. C.106 FISCAL YEAR 2009 CONTINGENT GENERAL FUND

TRANSFERS AND RESERVES

(a) To the extent that after meeting the requirements of 32 V.S.A. § 308, the general fund budget stabilization reserve has not attained its statutory maximum, additional amounts shall be transferred from the human services caseload management reserve established under 32 V.S.A. § 308b as necessary to attain said statutory maximum.

(b) After the general fund budget stabilization reserve attains its statutory maximum, any additional unreserved and undesignated general fund balance shall be reserved in the revenue shortfall reserve established in 32 V.S.A. § 308(d).

Sec. D.100 APPROPRIATIONS; PROPERTY TRANSFER TAX

(a) This act contains the following amounts appropriated from special funds that receive revenue from the property transfer tax. Expenditures from these appropriations shall not exceed available revenues.

(1) The sum of \$314,503 is appropriated from the property valuation and review administration special fund to the department of taxes for administration of the use tax reimbursement program. Notwithstanding 32 V.S.A. § 9610(c), amounts above \$314,503 from the property transfer tax that are deposited into the property valuation and review administration special fund shall be transferred into the general fund.

(2) The sum of \$6,101,662 is appropriated from the Vermont housing and conservation trust fund to the Vermont housing and conservation trust board. Notwithstanding 10 V.S.A. § 312, amounts above \$6,101,662 from the property transfer tax that are deposited into the Vermont housing and conservation trust fund shall be transferred into the general fund.

(3) The sum of \$3,449,427 is appropriated from the municipal and regional planning fund. Notwithstanding 24 V.S.A. § 4306(a), amounts above \$3,449,427 from the property transfer tax that are deposited into the municipal and regional planning fund shall be transferred into the general fund. The sum of \$3,449,427 shall be allocated as follows:

(A) \$2,632,027 for disbursement to regional planning commissions in a manner consistent with 24 V.S.A. § 4306(b);

(B) \$408,700 for disbursement to municipalities in a manner consistent with 24 V.S.A. § 4306(b);

(C) \$408,700 to the Vermont center for geographic information.

(4) It is the intent of the general assembly that in fiscal year 2011, the appropriations in this subsection shall be in accordance with the formulas set forth in 32 V.S.A. § 9610(c), 10 V.S.A. § 312, and 24 V.S.A. § 4306(a) and (b).

Sec. D.101 FUND TRANSFERS

(a) The following amounts are transferred from the funds indicated:

(1) from the general fund to the:

(A) communications and information technology internal service fund established by 22 V.S.A. § 902a: \$250,000.

(B) next generation initiative fund established by 16 V.S.A. § 2887: \$3,293,000.

(2) from the transportation fund to the downtown transportation and related capital improvement fund established by 24 V.S.A. § 2796 to be used by the Vermont downtown development board for the purposes of the fund: \$400,000.

(3) from the public service department regulation special fund to the general fund: \$300,000.

(4) an assessment from special funds of no greater than two percent of any fund appropriation to the general fund, of no greater than \$3,321,444 in total. Notwithstanding any other provisions of law, the secretary of administration is authorized to reduce special fund appropriations and transfer special funds to the general fund in fiscal year 2010 to achieve this amount and shall report these actions to the joint fiscal committee at its November 2009 meeting.

(5) from the liquor control fund to the general fund: \$200,000.

(b) In fiscal year 2010, to the extent general fund budget stabilization reserve has not attained its statutory maximum, an amount necessary to attain said reserve up to \$3,300,000 shall be transferred from the human services caseload management reserve established under 32 V.S.A. § 308b.

Sec. D.102 FUND RESERVE AUTHORIZATION

(a) In fiscal year 2010, the secretary of administration may authorize the secretary of human services to include any available balance in the human services caseload reserve as established in 32 V.S.A. § 308b as an available state match when setting the per-member per-month actuarial rates for Medicaid eligibility groups in the global commitment program for federal fiscal year 2010 and submitting these rates for approval by the Centers for Medicare and Medicaid Services.

Sec. D.103 TOBACCO LITIGATION SETTLEMENT FUND BALANCE

(a) Notwithstanding 18 V.S.A. § 9502(b), the actual balances at the end of fiscal year 2009 in the tobacco litigation settlement fund shall remain for appropriation in fiscal year 2010.

Sec. D.104 TRANSFER OF TOBACCO TRUST FUNDS

(a) Notwithstanding 18 V.S.A. § 9502(a)(3) and (4), the actual amount of investment earnings of the tobacco trust fund at the end of fiscal year 2010 shall be transferred from the tobacco trust fund to the tobacco litigation settlement fund in fiscal year 2010.

Sec. D.105 EXEMPTIONS FROM BUDGET STABILIZATION RESERVES

(a) Transportation fund amounts totaling \$3,144,146, reverted under the secretary of administration's carry-forward authority in Sec. 82(a) of No. 90 of the Acts of 2008, are exempt from the fiscal year 2008 transportation fund

appropriation total used to calculate the five percent budget stabilization requirement for fiscal year 2009 in 32 V.S.A. § 308a.

Sec. D.106 EDUCATION MEDICAID RECEIPTS IN FISCAL YEARS 2009
AND 2010

(a) Notwithstanding 16 V.S.A. § 2959a(g), during fiscal year 2009 and fiscal year 2010, after the application of subsections (a) through (f), any remaining Medicaid reimbursement funds shall be deposited in the general fund.

Sec. D.107 GROSS RECEIPTS TAX IN FISCAL YEAR 2010

(a) In fiscal year 2010, the first \$2,300,000 of gross receipts tax revenue collected under 33 V.S.A. § 2503 shall be deposited in the general fund.

Sec. D.108 AMERICAN RECOVERY AND REINVESTMENT ACT:

STATE FISCAL STABILIZATION FUND PROGRAM FOR
THE SUPPORT OF PUBLIC ELEMENTARY, SECONDARY,
AND HIGHER EDUCATION

(a) The governor is authorized to submit an application as soon as practicable for Vermont's share of the American Recovery and Reinvestment Act (ARRA) State Fiscal Stabilization Fund Program (SFSF) consistent with the intent of the act and this section. \$38,575,036, which is one-half of Vermont's SFSF, funds is appropriated to school districts as part of the funding of the state's adjusted education payment under Sec. B.505 of this act.

(b) The commissioner of education shall ensure that federal reporting is carried out as to:

(1) the use of funds provided under the SFSF program;

(2) the estimated number of jobs created or saved with program funds;

(3) estimated tax increases that were averted as a result of program funds;

(4) the state's progress in the areas covered by the application assurances; and

(5) maintaining records to ensure the ability to effectively monitor, evaluate, and audit the state fiscal stabilization fund.

Sec. D.109 AMERICAN RECOVERY AND REINVESTMENT ACT:

STATE FISCAL STABILIZATION FUND GOVERNMENT
SERVICES FUND

(a) The governor is authorized to submit an application as soon as practicable for Vermont's share of the American Recovery and Reinvestment Act (ARRA) State Fiscal Stabilization Fund Program (SFSF) consistent with the intent of the act and as indicated below:

(1) For Vermont's SFSF government services fund designated for education, public safety, and other government services, estimated at \$17,165,683, \$8,500,000 is appropriated for fiscal year 2010 in Sec. B.1101 of this act which specifies:

(A) \$3,400,000 is appropriated to fund the activities specified in H.313 of 2009 (An Act Relating to the Vermont Recovery and Reinvestment Act of 2009) to further job creation in Vermont as follows:

(i) \$2,150,000 to the Vermont Economic Development Authority to provide venture capital to Vermont businesses.

(ii) \$1,000,000 to the Vermont Economic Development Authority for interest rate subsidies through the Vermont Jobs Fund.

(iii) \$100,000 to the secretary of administration for a grant to the Vermont Sustainable Jobs Funds for the Farm-to-Plate Investment program.

(iv) \$150,000 to the secretary of administration for a grant to the Vermont Sustainable Jobs Funds for operations of the fund.

(B) \$200,000 to the department of economic development for the program operations of the Vermont Training Program.

(C) \$500,000 shall be appropriated to the department of tourism and marketing.

(D) \$4,400,000 shall be appropriated to the department of public safety-state police.

(b) The secretary of administration shall ensure that federal reporting is carried out as to:

(1) the use of funds provided under the SFSF program;

(2) the estimated number of jobs created or saved with program funds;

(3) estimated tax increases that were averted as a result of program funds;

(4) the state's progress in the areas covered by the application assurances; and

(5) maintaining records to ensure the ability to effectively monitor, evaluate, and audit the SFSF monies.

Sec. D.110 FEDERAL ECONOMIC RECOVERY FUNDS

(a) Division A – Title XII of the American Recovery and Reinvestment Act (ARRA) of 2009 allocates federal funds to the state for transportation-related projects. The allocation is subject to a requirement that 50 percent of a portion of the allocation be obligated by the state within a 120-day time period and that the remaining funds be obligated by February 2010. To the extent the state needs to obligate ARRA funds to satisfy the February 2010 deadline, subject to the approval of the joint transportation oversight committee, the secretary is authorized to obligate ARRA funds:

(1) to eligible projects in the fiscal year 2010 transportation program;
and

(2) to additional town highway projects that meet federal eligibility and readiness criteria.

(b) To the extent ARRA funds are proposed under subsection (a) of this section to be obligated to projects in place of previously authorized state funds or non-ARRA federal funds, the agency shall, subject to the approval of the

joint transportation oversight committee, reallocate the authorized funds to advance other projects in the fiscal year 2010 transportation programs in the order of their priority ranking. If the secretary determines that such funds would be more efficiently spent advancing a lower-ranking project due to permitting, right-of-way, or other practical constraints that impede the advancement of a higher ranking project, the secretary may reallocate funds from the higher ranking to the lower ranking project.

(c) To the extent ARRA funds have been obligated and appropriated under other authority to projects in the fiscal year 2009 transportation program to projects in place of previously authorized and appropriated state funds or non-ARRA federal funds, the agency is authorized to reallocate the authorized funds to advance other projects in the fiscal year 2009 transportation program.

(d) The agency shall submit its proposal regarding the obligation of ARRA funds under subsection (a) of this section and its proposal regarding the reallocation of funds under subsection (b) of this section to the joint transportation oversight committee for approval. The agency shall in addition report to the committee on any reallocation of funds executed under authority of subsection (c) of this section.

(e) The secretary of the agency of transportation shall transfer portions of the \$66,369,500 of ARRA funds appropriated to program development in Sec. B.903 of this act to other appropriations as required to effect the spending approved by the joint transportation oversight committee. The agency shall

report on the expenditure of ARRA funds to the joint transportation oversight committee at the committee's regular and specially scheduled 2009 meetings.

(f) All reports from the agency to the joint transportation oversight committee (JTOC) required under this section when the legislature is not in session shall take place at meetings of the committee called by the chair.

Sec. D.111 STIMULUS OVERSIGHT

(a) The Vermont office of economic stimulus and recovery shall prepare status reports to be posted on the web and electronically mailed or emailed to the legislative joint fiscal office and other interested parties. The reports shall be posted once every two weeks and shall include:

(1) Notification and summaries of American Recovery and Reinvestment Act (ARRA) state grant proposals under development and any related timelines, discussion meetings, or other opportunities for input;

(2) A list of grants submitted by state agencies, amounts solicited, description of purpose and activities to be carried out, and their status;

(3) Grants received by budget function or policy area.

(b) The president pro tempore of the senate and the speaker of the house shall each designate a legislative representative to the office of economic stimulus and recovery. The legislative representatives shall carry out the following:

(1) Serve as a communication link between the legislature and office of economic stimulus and recovery;

(2) Provide a legislative role in insuring oversight, public information, and quality use of available ARRA funding;

(3) Provide support to the joint fiscal committee in consideration of accepted grants.

(c) Legislative representatives shall be entitled to compensation under 2 V.S.A. § 406(a) for attendance at meetings. This designation shall continue until December 31, 2010.

* * * General Government * * *

Sec. E.100 Secretary of administration – secretary’s office (Sec. B.100, #1100010000)

(a) The secretary of administration shall use the Global Commitment funds appropriated in this section for the Vermont Blueprint for Health chronic care initiative director.

(b) The secretary shall reduce operating expenses in the executive branch to achieve the targeted savings in Sec. B.1103(b).

Sec. E.100.1 3 V.S.A. § 2283 is amended to read:

§ 2283. DEPARTMENT OF HUMAN RESOURCES

The department of human resources is created in the agency of administration. In addition to other responsibilities assigned to it by law, the department is responsible for the provision of centralized human resources management services for state government, including the administration of a classification and compensation system for state employees under chapter 13

of this title and the performance of duties assigned to the commissioner of human resources under chapter 27 of this title. The department shall administer the human resources functions of the agency of administration in consultation with the agency of administration commissioners and the state librarian. A department of the agency of administration which receives services of the consolidated agency human resources unit shall be charged for those services through an interdepartmental transfer on a basis established by the commissioner of finance and management in consultation with the commissioner of human resources and with the approval of the secretary of administration.

Sec. E.100.2 22 V.S.A. § 901 is amended to read:

§ 901. CREATION OF DEPARTMENT

There is created the department of information and innovation within the agency of administration. The department shall have all the responsibilities assigned to it by law, including the following:

* * *

(12) to provide technical support and services to the departments of human resources and of finance and management for the statewide central accounting and encumbrance system, the statewide budget development system, the statewide human resources management system, and other agency of administration systems as may be assigned by the secretary.

Sec. E.100.3 32 V.S.A. § 183 is amended to read:

§ 183. FINANCIAL AND HUMAN RESOURCE INFORMATION

INTERNAL SERVICE FUND

(a) There is established in the department of finance and management a financial and human resource information internal service fund, to consist of revenues from charges to agencies, departments, and similar units of Vermont state government, and to be available to fund the costs of the division of financial operations in the department of finance and management, and the technical support ~~for the~~ and services provided by the department of information and innovation for the statewide central accounting and encumbrance, budget development, and human resource management system ~~in the department of human resources systems~~. Expenditures shall be managed in accordance with subsection 462(b) of this title.

* * *

Sec. E.100.4 GOVERNOR'S PRODUCTIVITY TASK FORCE; JOINT

LEGISLATIVE GOVERNMENT ACCOUNTABILITY

COMMITTEE

(a) The governor's productivity task force, as recommended in the September 8, 2005 report of the Vermont institute on government effectiveness, shall collaborate with the joint legislative government accountability committee on achieving the goals of the strategic enterprise initiative. Specifically, the task force and the committee shall develop

initiatives to increase efficiencies in and promote innovation across state government.

Sec. E.101 Information and innovation - communications and information technology (Sec. B.101, #1105500000)

(a) Of this appropriation, \$250,000 is for a grant to the Vermont telecommunications authority established in 30 V.S.A. § 8061.

Sec. E.102 Information and innovation – health care information technology (Sec. B.102, #1105503000)

(a) The department of information and innovation (DII) will use the Global Commitment funds appropriated in this section for grants to coordinate with the Vermont Blueprint for Health chronic care initiative and other health care-related statewide information technology programs and projects. These programs and projects will provide public health approaches to improve the health outcomes and the quality of life for all Vermonters, including those who are Medicaid-eligible, and encourage the formation and maintenance of public-private partnerships in statewide health information exchange.

Sec. E.102.1 HEALTH INFORMATION TECHNOLOGY FOR PAYMENT REFORM WORK GROUP

(a) The commissioner of information and innovation shall convene a work group to explore ways to use and fund health information technology to achieve health care payment reform in this state. The work group shall consist of:

(1) The commissioner of information and innovation.

(2) Two members of the Vermont general assembly, one appointed by the speaker of the house of representatives and one appointed by the president pro tempore of the senate who shall jointly chair the work group.

(3) The secretary of administration or designee.

(4) The director of the office of economic stimulus and recovery.

(5) The director of the office of Vermont health access or designee.

(6) A representative from the Vermont Information Technology Leaders, Inc.

(7) A representative from First Data.

(8) A representative from IBM.

(9) A representative from each of the three largest health insurers licensed to do business in Vermont.

(10) Other interested stakeholders, which may include health care professionals, hospitals, and academic institutions.

(b) The work group shall:

(1) Explore opportunities for using health information technology to achieve health care payment reform in Vermont, including consideration of the use of smart card technology and mechanisms to enable real-time eligibility determinations and claims preparation, submission, and adjudication at a health care professional's office or a hospital.

(2) Identify potential sources of funding, including grants and other federal funds.

(3) Develop one or more proposals for appropriate grant funds, including those available under the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5.

(4) Create a working plan for implementation of the health information technology payment reform initiatives identified for further action by the work group.

(c) No later than 90 days following the effective date of this act, the work group shall submit to the joint fiscal committee its recommendations for using health information technology to achieve payment reform, as well as the grant proposals and working plan required in subsection (b) of this section.

Sec. E.103 Finance and management – budget and management (Sec. B.103, #1110003000)

(a) The department of finance and management will use the Global Commitment funds appropriated in this section to support the staff effort needed to manage the Global Commitment fund.

Sec. E.103.1 32 V.S.A. § 311 is amended to read:

§ 311. RETIREMENT FUNDS INTEGRITY REPORT

(a) The governor shall include as a part of the annual budget report required by section 306 of this title, a statement of the extent by which the recommended appropriations to the teachers' retirement funds and to the

Vermont employees' retirement funds differ from the amounts as recommended by the Vermont employees' retirement system retirement board as provided by subsection 471(n) of Title 3, and by the teachers' retirement system board of trustees as provided by subsection 1942(r) of Title 16 and board estimates for current obligations for retiree health care costs. If the governor's recommended appropriations are less than the amounts recommended by one or both of the boards of the two retirement systems for retirement obligations and retiree health care, the governor shall set forth the long-term financial implications to the state of such shortfall and present a plan to achieve and preserve the fiscal integrity of the retirement funds of the retirement system or systems.

(b) At the request of the house or senate committees on government operations or appropriations, the state treasurer and the commissioner of finance and management shall present to the requesting committees the recommendations submitted under subsections 471(n) of Title 3 and 1942(r) of Title 16.

Sec. E.104 Finance and management – financial operations (Sec. B.104, #1115001000)

(a) Pursuant to 32 V.S.A. § 307(e), financial management fund charges not to exceed \$6,111,582 plus the costs of fiscal year 2010 salary increases bargained as part of the state/VSEA agreement are hereby approved. Of this amount, \$1,343,908 plus the costs of fiscal year 2010 salary increases

bargained as part of the state/VSEA agreement shall be used to support the HCM system that is operated by the department of information and innovation.

Sec. E.107 HEALTH CARE AND WORKERS' COMPENSATION

INSURANCE FOR STATE FUNDED ENTITIES

(a) The secretary of administration shall review the fiscal implications of inclusion of quasi-public organizations such as the Vermont center for crime victim services and nonprofit organizations that receive 65 percent or more of their funding from Vermont state sources in the state health care program, the state workers' compensation program and other state benefit programs. Such analysis shall assume that these organizations pay 100 percent of the costs of any program inclusion. This study shall be submitted to the house and senate committees on government operations and appropriations on or before December 1, 2009. If the commissioner of human resources and the secretary of administration determine there would be no negative fiscal implications for the state, they are authorized to implement the process of including these entities as soon as practicable.

Sec. E.109 LIMITATION ON FISCAL YEAR 2010 USE VALUE

PROPERTY TAX REDUCTION

(a) In fiscal year 2010, notwithstanding any other provision of law, for parcels enrolled in the use value appraisal program under chapter 124 of Title 32, other than parcels owned or leased by a "farmer" as defined in that chapter and parcels enrolled by a qualifying organization under chapter 155 of Title 10,

if the listed value, divided by the most recent common level of appraisal, of the total enrolled acres in any one parcel exceeds \$5,000 per acre, then the owner shall, in addition to the tax otherwise paid on the use value of the parcel, pay municipal and education property taxes on the amount per acre in excess of \$5,000; and the fiscal year 2011 payment to any municipality under section 3760 of this chapter shall be adjusted to account for the effect of this section on the municipal tax revenue.

Sec. E.109.1 CURRENT USE TAX COALITION STUDY

(a) The current use tax coalition is requested to study options for savings of \$1,600,000 from the use value appraisal program in fiscal year 2011 and to report its recommendations by December 1, 2009, to the house committee on ways and means and the senate committee on finance.

Sec. E.111 Buildings and general services - engineering (Sec. B.111, #1150300000)

(a) The \$1,950,000 interdepartmental transfer in this appropriation shall be from the general bond fund appropriation in 2009 H.445 Sec. 1(8).

Sec. E.112 Buildings and general services – information centers (Sec. B.112, #1150400000)

(a) Of this appropriation, \$8,000 will be used to update the Sharon Vietnam honor roll.

Sec. E.120 Buildings and general services – workers’ compensation insurance
(Sec. B.120, #1160450000)

(a) Pursuant to 32 V.S.A. § 307(e), workers’ compensation fund charges not to exceed \$9,336,126 are hereby approved.

Sec. E.123 Buildings and general services – fee-for-space (Sec. B.123,
#1160550000)

(a) Pursuant to 29 V.S.A. § 160a(b)(3), facilities operations fund charges not to exceed \$27,655,892 plus the costs of fiscal year 2010 salary increases bargained as part of the state/VSEA agreement are hereby approved.

(b) The commissioner shall seek alternative locations to house the state offices currently located in the National Life Building in Montpelier. Efforts shall be made to identify locations within or around Montpelier that would result in a cost savings over the current lease agreement with National Life Insurance Company of Vermont.

Sec. E.127 Legislature (Sec. 127, #1210002000)

(a) It is the intent of the general assembly that funding for the legislature in fiscal year 2011 and beyond be included at a level sufficient to support an 18 week legislative session.

Sec. E.128 VIRTUALIZED INFORMATION TECHNOLOGY
INFRASTRUCTURE; STUDY

(a) The legislative director of information technology and the commissioner of the department of information and innovation shall study the

viability of cloud computing and other virtualized infrastructure options for the state's information technology infrastructure. In conducting the study they shall consider the following:

- (1) Current service level and scalability to future service needs;
- (2) Physical and virtual data security and recovery;
- (3) Potential for technology-related savings;
- (4) Opportunities for improved systems performance and capacity;
- (5) Specific vendors and relevant vendor policies; and
- (6) Potential for legal and regulatory obstacles.

(b) The legislative director of information technology and the commissioner of the department of information and innovation shall submit the results of this study to the general assembly on or before January 15, 2010. The director and the commissioner are respectively authorized to implement virtualized information technology.

Sec. E.129 ACCEPTANCE OF ARRA GRANTS

(a) During fiscal years 2009, 2010, and 2011, the joint fiscal committee shall consider grants under 32 V.S.A. § 5 that are received from the American Recovery and Reinvestment Act (ARRA) with the following procedural changes:

(1) Where a grant is received from ARRA funding, the chairs of the house and senate legislative committees of most relevant jurisdiction, as

determined by the chair of the joint fiscal committee, shall be informed of the grant receipt and request for acceptance.

(2) Said chairs may request that a joint fiscal committee member place a grant on the agenda of the joint fiscal committee in a manner consistent with committee policy under 32 V.S.A. § 5(a)(2)

(3) Where a grant is held for the joint fiscal committee agenda, the chairs of the legislative committees of jurisdiction shall be invited to the meeting and may participate in any related discussion.

(b) At joint fiscal committee regular meetings the administration shall report on ARRA grant applications submitted and on the current status of such grant submissions.

Sec. E.133 State treasurer (Sec. B.133, #1260010000)

(a) Of this general fund appropriation, \$6,484 shall be deposited into the armed services scholarship fund established in 16 V.S.A. § 2541.

Sec. E.135 Vermont state retirement system (Sec. B.135, #1265020000)

(a) Notwithstanding 3 V.S.A. § 473(d), in fiscal year 2010, investment fees shall be paid from the corpus of the fund.

Sec. E.135.1 COMMISSION ON THE DESIGN AND FUNDING OF

RETIREMENT AND RETIREE HEALTH BENEFITS PLANS

FOR STATE EMPLOYEES AND TEACHERS

(a) A commission is created to review and report on the design and funding of retirement and retiree health benefit plans for the state employees' and

teachers' retirement systems. The commission is charged with making recommendations about plan design, benefit provisions, and appropriate funding sources, along with other recommendations it deems appropriate for consideration, consistent with actuarial and governmental accounting standards, as well as demographic and workforce trends and the long-term sustainability of the benefit programs. The joint fiscal committee may provide benchmark targets reducing the rate of expenditure growth for retirement and retiree health benefits to the commission to guide the development of recommendations.

(b) The commission shall comprise the following members:

(1) one member of the house of representatives, appointed by the speaker of the house;

(2) one member of the senate, appointed by the president pro tempore of the senate;

(3) the state treasurer, who shall chair the commission;

(4) the secretary of administration or designee;

(5) the commissioner of education or designee;

(6) one member of the public with pension and benefit experience appointed by the governor;

(7) one member of the public with pension and benefit experience appointed jointly by the speaker of the house and the president pro tempore of the senate.

(c) The report shall include, but not be limited to, the following:

(1) an evaluation of current benefits structures and contribution characteristics in comparison to other comparable public and private systems;

(2) an estimate of the cost of current and proposed benefits structures on a budgetary, pay-as-you-go basis and full actuarial accrual basis;

(3) a five-year review of benefit expenditure levels as well as employer and employee contribution levels and growth rates and a three-, five- and ten-year projection of these levels and rates;

(4) based on benefit and funding benchmarks, options for providing new benefit structures with the objective of adequate benefits within the established cost containment benchmarks;

(5) funding methods, including contributions from state, municipalities, and employees, to achieve these objectives; and

(6) an evaluation of whether current governance, oversight, and lines of authority are appropriate and consistent with funding objectives.

(d) During the course of its deliberations and prior to any final recommendations being made, the commission should solicit input from the affected parties, such as employees, taxpayers, and organizations representing those parties, including the Vermont state employees association, Vermont-NEA, and the Vermont league of cities and towns.

(e) The commission may select and oversee outside expert benefit and legal expert advisory services as it deems appropriate. An amount of \$150,000 is appropriated for this purpose in Sec. B.1101(a) of this act.

(f) On or before December 18, 2009 the commission shall file a report and recommendations with the governor and the general assembly.

(g) The commission shall also provide the report to the board of trustees of the state employees' and teachers' retirement systems for their consideration, deliberation, and comment to the general assembly.

(h) Administrative support shall be provided by the office of the state treasurer.

(i) Legislative and public members shall be entitled to per diem compensation and expenses as provided for in § 406 of Title 2 and § 1010 of Title 32 respectively.

Sec. E.135.2. STATE EMPLOYEE RETIREMENT INCENTIVE

(a) An individual who is employed by the state on June 1, 2009, has attained eligibility for normal retirement as of July 1, 2009, does not purchase service credit to become so, and is one of the first 300 individuals to apply, shall be eligible for the following retirement incentive:

(1) If the employee applies for retirement by June 30, 2009 for a retirement effective July 1, 2009, the employee shall be entitled to:

(A) Payment by the state of at least 80 percent of the cost of the premium for primary or secondary health insurance coverage for the employee

and his or her dependents for at least 10 years following retirement, unless the employee elects the premium reduction option under 3 V.S.A. § 479(e);

(B) \$500.00 per year of service if the employee has fewer than five years of creditable service;

(C) \$750.00 per year of service if the employee has five years of creditable service or more and fewer than 15 years of creditable service;

(D) \$1,000.00 per year of service if the employee has 15 years of creditable service or more.

(2) If the employee applies for retirement between July 1, 2009 and August 31, 2009 for a retirement effective date of August 1, 2009 or September 1, 2009, the employee shall be entitled to:

(A) \$500.00 per year of service if the employee has fewer than five years of creditable service;

(B) \$750.00 per year of service if the employee has five years of creditable service or more and fewer than 15 years of creditable service;

(C) \$1,000.00 per year of service if the employee has 15 years of creditable service or more.

(b) An employer may stagger the retirement dates of multiple retiring employees if necessary to continue the normal of operation of business.

However, no retirement date shall be later than six months from the retirement date for which the employee applied.

(c) The incentive set forth in subsection (a) of this section shall not exceed \$15,000.00 per employee. The employee shall receive the cash portion of the retirement incentive in two equal payments in fiscal years 2010 and 2011. The first payment shall be made within 90 days of the retirement date. The second payment shall be made within 30 days of the one year anniversary of the retirement date.

(d) No employee who receives the incentive set forth in subsection (a) of this section may return to state employment for at least one fiscal year unless: the secretary of administration otherwise approves for an executive branch employee; the chief justice of the supreme court otherwise approves for a judicial branch employee; or the speaker of the house and the president pro tempore of the senate otherwise approve for a legislative branch employee. The joint fiscal committee shall be notified of any employees who have received the incentive set forth in subsection (a) of this section and who return to state employment within one fiscal year.

(e) The retirement incentive set forth in subsection (a) of this section shall be treated as a severance payment under subdivision 1344(a)(5)(F) of Title 21 and shall be disqualifying remuneration.

(f) The joint fiscal committee may vote to increase the number of individuals who are eligible for the retirement incentive set forth in this section.

(g) The state treasurer shall report the number of individuals applying for the retirement incentive set forth in this section by agency to the joint fiscal committee by July 1, 2009 and by September 1, 2009.

Sec. E.135.3. NORMAL RETIREMENT; LAID OFF STATE EMPLOYEES

A permanent state employee who is laid off between May 1, 2009 and January 1, 2011 and who is within one year of eligibility for normal retirement may retire without penalty as if the employee met the retirement eligibility criteria for the group plan of which he or she is a member.

Sec. E.141 Tax department-reappraisal and listing payments (B.141, #1140060000)

(a) The amount of \$3,470,000 in education funds appropriated in Sec. B.141 of this act in fiscal year 2010 shall be used to implement the provisions of 32 V.S.A. §§ 4041(a), relating to payments to municipalities for reappraisal costs, and 5405(f), relating to payments of \$1.00 per grand list parcel.

(b) Of this appropriation, \$200,000 shall be transferred to the department of taxes, division of property valuation and review and reserved for payment of expenses associated with a reappraisal as of April 1, 2010 of the hydroelectric plants and other property owned by TransCanada Hydro Northeast, Inc. in the state of Vermont. Expenditures for this purpose shall be considered qualified expenditures under 16 V.S.A. § 4025(c).

Sec. E.143 Lottery commission (Sec. B.143, #2310010000)

(a) Of this appropriation, the lottery commission shall transfer \$150,000 to the department of health, office of alcohol and drug abuse programs to support the gambling addiction program.

(b) The Vermont state lottery shall provide assistance and work with the Vermont council on problem gambling on systems and program development.

Sec. E.144 Payments in lieu of taxes (Sec. B.144, #1140020000)

(a) This appropriation is for state payments in lieu of property taxes under subchapter 4 of chapter 123 of Title 32, and the payments shall be calculated in addition to and without regard to the appropriations for PILOT for Montpelier and for correctional facilities elsewhere in this act.

Sec. E.145 Payments in lieu of taxes - Montpelier (Sec. B.145, #1150800000)

(a) Payments in lieu of taxes under this section shall be paid from the PILOT special fund under 32 V.S.A. § 3709.

Sec. E.146 Payments in lieu of taxes – correctional facilities (Sec. B.146, #1140030000)

(a) Payments in lieu of taxes under this section shall be paid from the PILOT special fund under 32 V.S.A. § 3709.

* * * Protection to Persons and Property * * *

Sec. E.200 Attorney general (Sec. B.200, #2100001000)

(a) Of the special fund appropriation, \$150,000 shall be from the evidence-based education and advertising fund in section 2004a of Title 33 for

analysis of prescription drug data needed by the attorney general's office for enforcement activities.

(b) Notwithstanding any other provisions of law, the office of the attorney general, Medicaid fraud control unit, is authorized to retain one-half of any civil monetary penalty proceeds from global Medicaid fraud settlements. All penalty funds retained shall be used to finance Medicaid fraud and residential abuse unit activities.

Sec. E.204 Judiciary (Sec. B.204, #2120000000)

(a) For compensation paid from July 1, 2009 to June 30, 2010, the supreme court is authorized to reduce by up to five percent salaries established by statute that are paid by the judicial department appropriation and to reduce by up to five percent the hourly rates of nonbargaining-unit employees earning in excess of \$15.00 per hour.

Sec. E.204.1 Judiciary (Sec. B.204, #2120000000)

4 V. S. A. § 25 is amended to read:

§ 25. JUDICIAL BRANCH; FURLOUGH DAYS; ADMINISTRATIVE
LEAVE

(a) The supreme court is authorized to declare up to 12 unpaid judicial branch furlough days in a fiscal year and on those days may close ~~all~~ courts in the state. For purposes of implementing a furlough day, the supreme court is authorized to reduce on a daily or hourly basis all salaries established by 32 V.S.A. §§ 1003(c), 1141, 1142, and 1181, ~~4 V.S.A. § 461(e)~~, and all other

salaries paid by the judicial branch. Furlough days declared under this section shall have the same effect as holidays under 1 V.S.A. § 371 for the purpose of counting time under the rules of court procedure and the Vermont Statutes Annotated.

* * *

Sec. E.204.2 COMMISSION ON JUDICIAL OPERATION;

RECOMMENDATIONS

(a) The general assembly acknowledges that the commission on judicial operation was established by the Vermont supreme court in response to Act 192 of 2008, in which the general assembly asked the court to convene a commission to examine the efficient and effective delivery of judicial services and to address the allocation of resources within the judiciary. The commission is now engaged in this work and intends to report its recommendations for resource reallocation and improvement of service-delivery to the general assembly prior to January 1, 2010. The general assembly finds that it would be disruptive of the commission's ongoing processes to make substantial structural changes to the judiciary in fiscal year 2010 and that the interests of justice would be best served by deferring any such changes until after the commission's report is received and considered.

(b) The general assembly expects the work of the commission on judicial operations to make recommendations which will both preserve the ability of

the judiciary to meet its constitutional responsibilities as a separate branch of government and to find savings of \$1,000,000 in the fiscal year 2011 budget.

(c) Notwithstanding any other provision of law, the judiciary budget shall not be subject to any rescissions during fiscal year 2010.

Sec. E.204.3 JUDICIARY; REGIONAL ARRAIGNMENTS;

INCARCERATED DEFENDANT APPEARING BY VIDEO
OR TELEPHONE

(a) The court administrator, in consultation with the executive director of the department of state's attorneys and sheriffs, the defender general, and the commissioner of the department of corrections, shall develop procedures for regional arraignments and for an incarcerated defendant's appearance by video or telephone as permitted under rules 5 and 43 of the Vermont rules of criminal procedure and Vermont Supreme Court administrative order 38. The procedures shall be designed to reduce prisoner transportation costs to the greatest extent possible while preserving the defendant's right to a meaningful court appearance.

Sec. E.207 Sheriffs (Sec. B.207, #2130200000)

(a) Of this appropriation, \$15,000 shall be transferred to the state's attorneys' office as reimbursement for the cost of the executive director's salary.

Sec. E.209 Public safety - state police (Sec. B.209, #2140010000)

(a) Of this appropriation, \$32,000 shall be used to make a grant to the Essex County sheriff's department for law enforcement purposes.

(b) Of this appropriation, \$35,000 in special funds shall be available for snowmobile law enforcement activities and \$35,000 in general funds shall be available to the southern Vermont wilderness search and rescue team, which comprises state police, the department of fish and wildlife, county sheriffs, and local law enforcement personnel in Bennington, Windham, and Windsor Counties, for snowmobile enforcement.

(c) Of the \$255,000 allocated for local heroin interdiction grants funded in this section, \$190,000 shall be used by the Vermont drug task force to fund three town task force officers. These town task force officers will be dedicated to heroin and heroin-related drug (e.g., methadone, oxycontin, crack cocaine, and methamphetamine) enforcement efforts. Any additional available funds shall remain as a "pool" available to local and county law enforcement to fund overtime costs associated with heroin investigations. Any unexpended funds from prior fiscal years' allocations for local heroin interdiction shall be carried forward.

Sec. E.211 REPORT OF DEPARTMENT OF PUBLIC SAFETY AND
ENHANCED 911 SERVICES AND DISPATCH SYSTEM

(a) The department of public safety, the department of information and innovation, and the Vermont enhanced 911 board shall analyze the current

state of the department of public safety's dispatch and enhanced 911 answering services in order to recommend the most efficient and cost-effective means of integrating these systems and technologies. The report shall also include a recommendation for a process to assess the dispatching services across the state in fiscal year 2011.

(b) On or before January 15, 2010, the department of information and innovation shall report its findings and recommendations to the house and senate committees on appropriations and on government operations.

(c) Pending the completion of the report and implementation of its recommendations, or upon the close of fiscal year 2010, whichever is sooner, any agreement or understanding between the commissioner of public safety and a municipality or any entity that provides services to a municipality or state agency to provide services under 20 V.S.A. § 1875 shall remain unchanged unless otherwise provided in the agreement until a statewide understanding is established.

Sec. E.212 Public safety - fire safety (Sec. B.212, #2140040000)

(a) Of this general fund appropriation, \$55,000 shall be granted to the Vermont rural fire protection task force for the purpose of designing dry hydrants.

Sec. E.214 Public safety - emergency management - radiological emergency response plan (Sec. B.214, #2140080000)

(a) Of this special fund appropriation, up to \$30,000 shall be available to contract with any radio station serving the emergency planning zone for the emergency alert system.

Sec. E.214.1 LAW ENFORCEMENT SERVICES; COORDINATION

BETWEEN AGENCIES; UNFILLED POSITIONS

(a) The departments of fish and wildlife, motor vehicles, and liquor control shall establish memorandums of understanding with the department of public safety to continue the improvement in communication, cooperation, and coordination between the departments with respect to the provision of law enforcement services.

(b) The commissioners of the departments of public safety, fish and wildlife, motor vehicles, and liquor control shall report to the senate and house committees on appropriations on or before January 15, 2010 on progress the departments have made implementing the recommendations made in the Independent Evaluation of Law Enforcement Services report submitted to the general assembly by the Public Safety Strategies Group on February 20, 2009.

(c) The departments of fish and wildlife, motor vehicles, and liquor control shall report to the senate and house committees on appropriations, on judiciary, on government operations, and the joint legislative government accountability

committee by September 15, 2009 on the advisability of not filling positions that are not funded by the general fund or the transportation fund.

Sec. E.215 Military - administration (Sec. B.215, #2150010000)

(a) Of this appropriation, \$100,000 shall be disbursed to the Vermont student assistance corporation for the national guard educational assistance program established in 16 V.S.A. § 2856.

Sec. E.219 Military - veterans' affairs (Sec. B.219, #2150050000)

(a) Of this appropriation, \$5,000 shall be used for continuation of the Vermont medal program, \$4,800 shall be used for the expenses of the governor's veterans' advisory council, \$7,500 shall be used for the Veterans' Day parade, and \$10,000 shall be used for the military, family, and community network.

Sec. E.220 Center for crime victim services (Sec. B.220, #2160010000)

(a) Of this appropriation, the amount of \$883,000 from the victims' compensation fund created by 13 V.S.A. § 5359 is appropriated for the Vermont network against domestic and sexual violence initiative. Expenditures for this initiative shall not exceed the revenues raised from the \$10.00 increase authorized by Sec. 20 of No. 174 of the Acts of 2008 applied to the assessment in 13 V.S.A. § 7282(a)(8)(B), and from the \$20.00 authorized by Sec. 21 of No. 174 of the Acts of 2008 applied to the fee in 32 V.S.A. Sec. 1712(1).

Sec. E.233 Banking, insurance, securities, and health care administration (Sec. B.233, #2210040000)

(a) The department of banking, insurance, securities, and health care administration (BISHCA) shall use the Global Commitment funds appropriated in this section for health care administration for the purpose of funding certain health care-related BISHCA programs, projects, and activities to increase the access of quality health care to uninsured persons, underinsured persons, and Medicaid beneficiaries.

(b) In fiscal year 2010, the commissioner of banking, insurance, securities, and health care administration shall collect the same amount under § 9416(c) of Title 18 as was collected in state fiscal year 2009 for the expenses incurred under that section.

Sec. E.234 Secretary of state (Sec. B.234, #2230010000)

(a) Of this special fund appropriation, \$492,991 represents the corporation division of the secretary of state's office, and these funds shall be from the securities regulation and supervision fund in accordance with 9 V.S.A. § 5613.

Sec. E.235 30 V.S.A. § 203a is amended to read:

§ 203a. FUEL EFFICIENCY FUND

(a) Fuel efficiency fund. There is established the fuel efficiency fund to be administered by a fund administrator appointed by the board. Balances in the fund shall be ratepayer funds, shall be used to support the activities authorized in this subdivision, and shall be carried forward and remain in the fund at the

end of each fiscal year. These monies shall not be available to meet the general obligations of the state. Interest earned shall remain in the fund. The fund shall contain such sums as appropriated by the general assembly or as otherwise provided by law, in addition to revenues from the sale of credits under the RGGI cap and trade program ~~established~~ as provided for under section 255 of this title.

* * *

Sec. E.235.1 30 V.S.A. § 209(d)(8) is added to read:

(8) Effective January 1, 2010, such revenues from the sale of carbon credits under the cap and trade program as provided for under section 255 of this title shall be deposited into the electric efficiency fund established by this section.

Sec. E.235.2 30 V.S.A. § 255(d) is amended to read:

(d) Appointment of consumer trustees. The public service board, by rule, order, or competitive solicitation, may appoint one or more consumer trustees to receive, hold, bank, and sell tradable carbon credits created under this program. Trustees may include Vermont electric distribution utilities, the fiscal agent collecting and disbursing funds to support the statewide efficiency utility, or a financial institution or other entity with the expertise and financial resources to manage a portfolio of carbon credits for the long-term benefit of Vermont energy consumers. ~~Proceeds~~ Fifty percent of the net proceeds above costs from the sale of carbon credits shall be deposited into the fuel efficiency

fund established under section 203a of this title. These funds shall be used to provide expanded fossil fuel energy efficiency services to residential consumers who have incomes up to and including 80 percent of the median income in the state. The remaining 50 percent of the net proceeds above costs shall be deposited into the electric efficiency fund established under subdivision 209(d)(3) of this title. These funds shall be used by the entity or entities appointed under subdivision 209(d)(2) of this title to help meet the building efficiency goals established under 10 V.S.A. § 581 by delivering fossil fuel energy efficiency services to Vermont heating and process-fuel consumers who are businesses or are residential consumers whose incomes exceed 80 percent of the median income in the state.

Sec. E.235.3 10 V.S.A. § 6523(e) is amended to read:

(e) Management of fund.

(1)(A) There is created the clean energy development fund advisory committee, which shall consist of the commissioner of public service, or a designee, and the chairs of the house and senate committees on natural resources and energy, or their designees.

(B) There is created the clean energy development fund investment committee, which shall consist of seven persons appointed by the clean energy development fund advisory committee.

(2) The commissioner of public service shall:

(A) by no later than October 30, 2006:

(i) develop a five year strategic plan and an annual program plan, both of which shall be developed with input from a public stakeholder process;

(ii) develop an annual operating budget;

(iii) develop proposed program designs to facilitate clean energy market and project development (including use of financial assistance, investments, competitive solicitations, technical assistance, and other incentive programs and strategies); and

(iv) submit the plans, budget, and program designs to the clean energy development fund advisory committee for review and to the clean energy development fund investment committee for approval;

(B) adopt rules ~~by no later than January 1, 2007~~ to carry out the program approved under this subdivision;

(C) explore pursuing joint investments in clean energy projects with other state funds and private investors to increase the effectiveness of the clean energy development fund;

(D) acting jointly with the members of the clean energy development fund investment committee, make decisions with respect to specific grants and investments, after the plans, budget, and program designs have been approved by the clean energy development fund investment committee. ~~This subdivision~~

~~(D) shall be repealed upon the effective date of rules adopted under subdivision (2)(B) of this subsection.~~

(3) During fiscal years after FY 2006, up to five percent of amounts appropriated to the public service department from the fund may be used for administrative costs related to the clean energy development fund and after FY 2007, another five percent of amounts appropriated to the public service department from the fund not to exceed \$300,000.00 in any fiscal year shall be transferred to the secretary of the agency of agriculture, food, and markets for agricultural and farm-based energy project development activities.

Sec. E.235.4 STATE ENERGY PROGRAM

(a) The ARRA funds appropriated to the department of public service in Sec. B.235 of this act, consisting of \$21,999,000 state energy program funds and \$9,593,500 energy efficiency and conservation block grant (EECBG) program funds, shall be transferred and deposited into the clean energy development fund created under 10 V.S.A. § 6523. These funds shall be maintained in a separate account specifically restricted to ARRA funds within the clean energy development fund.

(b) The funds appropriated and transferred under subsection (a) of this section shall be disbursed from the clean energy development fund in a manner that ensures rapid deployment of the funds, is consistent with the requirements of ARRA for administration of funds received, and meets the transparency and accountability requirements of ARRA. These funds shall be for the following:

(1) The Vermont small-scale renewable energy incentive program currently administered by the renewable energy resource center for use in

residential and business installations. These funds may be used by the program for all forms of renewable energy as defined by 30 V.S.A. § 8002(2), including biomass and geothermal heating. The disbursement to this program shall seek to promote continuous funding for as long as funds are available.

(2) Grant and loan programs for renewable energy resources, including thermal resources such as district biomass heating that may not involve the generation of electricity.

(3) Grants and loans to thermal energy efficiency incentive programs, community-scale renewable energy financing programs, certification and training for renewable energy workers, promotion of local biomass and geothermal heating, and an anemometer loan program.

(4) \$2 million for a public-serving institution efficiency and renewable energy program that may include grants and loans and create a revolving loan fund. For the purpose of this subsection, "public-serving institution" means government buildings and nonprofit public and private universities, colleges, and hospitals. In this program, awards shall be made through a competitive bid process. On or before January 15, 2011, the department of public service shall report to the general assembly on the status of this program, including each award made and, for each such award, the expected energy savings or generation and the actual energy savings or generation achieved.

(5) \$2 million to the Vermont housing and conservation board (VHCB) to make grants and deferred loans to nonprofit organizations for weatherization

and renewable energy activities allowed by federal law, including assistance for nonprofit owners and occupants of permanently affordable housing.

(6) \$2 million to the Vermont telecommunications authority (VTA) to make grants for installation of small-scale wind turbines and associated towers on which telecommunications equipment is to be collocated and which are developed in association with the VTA.

(7) \$880,000 to the 11 regional planning commissions (\$80,000 to each such commission) to conduct energy efficiency and energy conservation activities that are eligible under the EECBG program.

(8) Of the funds authorized for use in subdivisions (5), (6), and (7) of this subsection, to the extent permissible under ARRA, up to 5 percent may be spent for administration of the funds received.

Sec. E.238 Enhanced 9-1-1 board (Sec. B.238, #2260001000)

(a) Of this appropriation, \$1,823,443 shall be transferred to the department of public safety for 911 call-takers at public safety answering points operated by the department of public safety.

* * * Human Services * * *

Sec. E.300 Human services - agency of human services - secretary's office
(Sec. B.300, #3400001000)

(a) Notwithstanding 32 V.S.A. § 706, the secretary may transfer funds allocated for the "high risk pool" and costs related to juvenile justice to the

departments in the agency of human services designated to provide these services.

(b) Of this appropriation, \$54,000 in tobacco settlement funds shall be used to provide a grant to the project against violent encounters for a statewide program for substance abuse prevention and mentoring for youth.

(c) Of this appropriation, \$143,000 in tobacco funds shall be used for a grant to Lamoille County people in partnership for wrap-around services for at-risk youth.

(d) Of this appropriation, \$85,000 in tobacco funds with any corresponding federal matching funds shall be for comprehensive treatment services and \$15,000 shall be for housing provisions for at-risk youth.

(e) Of the funds appropriated to the secretary, \$100,000 shall be available for the pathways to housing program.

(f) The secretary of human services shall identify \$250,000 of funds appropriated to the agency in fiscal year 2010 that shall be allocated and granted for start up expenses to establish a Chittenden County pilot program to unify existing substance abuse treatment. The secretary shall report to the joint fiscal committee at its regularly scheduled July, September, and November 2009 meetings on the funds identified and the status of the implementation of the pilot program.

Sec. E.301 Secretary's office – Global Commitment (Sec. B.301,
#3400004000)

(a) The agency of human services shall use the funds appropriated in this section for payment of the actuarially certified premium required under the intergovernmental agreement between the agency of human services and the managed care organization in the office of Vermont health access as provided for in the Global Commitment for Health Waiver (“Global Commitment”) approved by the Centers for Medicare and Medicaid Services under Section 1115 of the Social Security Act.

(b) In addition to the state funds appropriated in this section, a total estimated sum of \$29,674,577 is anticipated to be certified as state matching funds under the Global Commitment as follows:

(1) \$12,279,600 certified state match available from local education agencies for eligible special education school-based Medicaid services under the Global Commitment. This amount combined with \$28,220,400 of federal funds appropriated in Sec. B.301 equals a total estimated expenditure of \$40,500,000. An amount equal to the amount of the federal matching funds for eligible special education school-based Medicaid services under Global Commitment shall be transferred from the Global Commitment fund to the Medicaid reimbursement special fund created in 16 V.S.A. § 2959a.

(2) \$8,956,247 certified state match available from local education agencies' school-based health services, including school nurse services, that

increases the access of quality health care to uninsured persons, underinsured persons, and Medicaid beneficiaries.

(3) \$3,418,532 certified state match available from local education and social service agencies for eligible services provided to eligible persons through children's collaborative services programs.

(4) \$5,020,198 certified state match available from local designated mental health and developmental services agencies for eligible mental health services provided under the Global Commitment.

Sec. E.301.1 RETAINING ENHANCED FEDERAL MEDICAL

ASSISTANCE PERCENTAGE (FMAP)

(a) Notwithstanding 16 V.S.A. § 2959a, to the extent possible, any additional federal funds received as a result of an enhanced FMAP (Federal Medical Assistance Percentage) that are associated with the certified expenditures specified in subdivisions (b)(1) through (4) of Sec. E.301 of this act shall be retained in the Global Commitment fund and shall not be transferred to the certifying entity.

(b) For the period of the enhanced FMAP, the funding allocated from the Catamount fund for Catamount Health program expenses within the Global Commitment waiver shall be calculated on the base underlying FMAP rate. This allocation may be prorated as necessary to ensure that the fund is in balance at the close of the fiscal year.

Sec. E.306 Office of Vermont health access-administration (Sec. B.306, #341001000)

(a) Generic drug sample pilot project: Of the special fund appropriation, \$400,000 shall be from the evidence-based education and advertising fund in section 2004a of Title 33 for the evidence-based education program's generic drug sample pilot project as described in Sec. 15 of No. 80 of the Acts of 2007.

(b) Out-of-state dispensing fees reduction: The office of Vermont health access shall reduce the dispensing fees paid to pharmacies located out of state who participate in Medicaid, VHAP, Dr. Dynasaur, VPharm, or VermontRx to \$2.50 per script.

Sec. E.306.1 CHIROPRACTIC; MEDICAID

(a) The agency of human services is directed to reinstate chiropractic coverage only for manipulation of the spine billed under current procedural terminology (CPT) codes 98940, 98941, and 98942 for adults in the Medicaid and VHAP programs effective July 1, 2009.

Sec. E.307 Office of Vermont health access – Medicaid Program - Global Commitment (Sec. B.307, #3410015000)

(a) The office of Vermont health access shall limit payment for select drugs used as maintenance treatment to increments of 90-day supplies in Medicaid, the Vermont Health Access Plan, and VermontRx. This limit shall not apply to drugs generally used to treat acute conditions. The drug utilization review board shall make recommendations to the director on the drugs to be selected.

This limit shall not apply when the patient initially fills the prescription in order to provide an opportunity for the patient to try the medication and for the prescriber to determine that it is appropriate for the patient's medical needs.

Sec. E.307.1 EMERGENCY RULES

(a) In order to administer the provisions of this act relating to establishing co-payments in VPharm, VermontRx, and VHAP provided for in sections E.309.6, E.309.7, E.309.8, and E.309.12; modifying prescriptions for maintenance drugs to 90-day increments provided for in Sec. E.307; establishing a therapeutic equivalency generic drug program in a timely fashion provided for in Sec. E.309.9; and reinstating chiropractic coverage as provided for Sec. E.306.1, the agency of human services shall adopt rules pursuant to emergency rulemaking as provided for in 3 V.S.A. § 844.

Sec. E.307.2 33 V.S.A. § 1973 is amended to read:

§ 1973. VERMONT HEALTH ACCESS PLAN

* * *

(e) An individual who is or becomes eligible for Medicare shall not be eligible for the Vermont health access plan.

(f) For purposes of this section, “uninsured” means:

* * *

Sec. E.307.3 32 V.S.A. § 7823 is amended to read:

§ 7823. DEPOSIT OF REVENUE

The revenue generated by the taxes imposed under this chapter shall be credited to the state health care resources fund established by section 1901d of Title 33 and the Catamount fund established by section 1986 of Title 33.

Sec. E.308 FISCAL YEAR 2010 NURSING HOME INFLATION

(a) Notwithstanding any other provision of law, for state fiscal year 2010, the division of rate setting shall modify its methodology for calculating Medicaid rates for nursing homes by calculating the inflation factors for cost categories as follows. The division shall use the same inflation percentages to calculate the state fiscal year 2010 rates as were used in state fiscal year 2009 for the following cost categories: the director of nursing, resident care, and indirect costs. The state fiscal year inflation percentages limited the incremental state fiscal year 2009 inflation to one-half of the percentage change in the inflation factors between 2008 and 2009. The division will not apply any additional inflation to the following cost categories for state fiscal year 2010: director of nursing, resident care, and indirect costs.

(b) For the nursing care cost category, the division shall first calculate the inflation percentage from calendar year 2007 to state fiscal year 2008. The division shall next calculate the inflation percentage from calendar year 2007 to state fiscal year 2009. The difference in inflation between the state fiscal year 2008 and state fiscal year 2009 inflation calculations will be halved and

this one-half difference will be added to the 2008 inflation to arrive at the inflation percentage to be used for the 2010 rate period. The division will not apply any additional inflation for state fiscal year 2010.

Sec. E.308.1 FISCAL YEAR 2010 NURSING HOMES; HIT INCENTIVES

(a) The division of rate setting shall provide an incentive or rate adjustment by rule to nursing homes to install electronic medical records in order to improve quality of care by avoiding medical errors and to achieve savings in health care costs through streamlined administration. The incentive or rate adjustment shall be in addition to any current adjustment for capital costs. The incentive or rate adjustment shall be available to nursing homes that have installed electronic medical records prior to the adoption of the rule.

Sec. E.309 33 V.S.A. § 2072(c) is added to read:

(c) If an individual becomes ineligible for assistance under this subchapter, the secretary shall terminate assistance to the individual.

Sec. E.309.1 33 V.S.A. § 2077(a) is amended to read:

(a) The programs established under this subchapter shall be designed to provide maximum access to program participants, to incorporate mechanisms that are easily understood and require minimum effort for applicants and health care providers, and to promote quality, efficiency, and effectiveness through cost controls and utilization review. Applications may be filed at any time and shall be reviewed annually. OVHA may contract with a fiscal agent for the purpose of processing claims and performing related functions required in the

administration of the pharmaceutical programs established under this subchapter.

Sec. E.309.2 33 V.S.A. § 1998(f)(1) and (2) are amended to read:

(f)(1) The drug utilization review board shall make recommendations to the director for the adoption of the preferred drug list. The board's recommendations shall be based upon evidence-based considerations of clinical efficacy, adverse side effects, safety, appropriate clinical trials, and cost-effectiveness. "Evidence-based" shall have the same meaning as in section 4622 of Title 18. The director shall provide the board with evidence-based information about clinical efficacy, adverse side effects, safety, appropriate clinical trials, and shall provide information about cost-effectiveness of available drugs in the same therapeutic class.

(2) The board shall meet at least quarterly. The board shall comply with the requirements of subchapter 2 of chapter 5 of Title 1 (open meetings) and subchapter 3 of chapter 5 of Title 1 (open records), except that the board may go into executive session to discuss drug alternatives and receive information on the relative price, net of any rebates, of a drug under discussion and the drug price in comparison to the prices, net of any rebates, of alternative drugs available in the same class to determine cost-effectiveness, and in order to comply with subsection 2002(c) of this title to consider information relating to a pharmaceutical rebate or to supplemental rebate agreements, which is protected from disclosure by federal law or the terms and conditions required

by the Centers for Medicare and Medicaid Services as a condition of rebate authorization under the Medicaid program.

Sec. E.309.3 DUR BOARD EXECUTIVE SESSION

(a) If necessary in order to comply with 33 V.S.A. § 1998(f), the director of the office of Vermont health access shall renegotiate the contract with the pharmacy benefits manager to ensure that the drug utilization review (DUR) board receives in executive session information relating to costs of prescription drugs.

Sec. E.309.4 STUDY ON THE PROMOTION OF GENERICS IN
MEDICAID

(a) The office of Vermont health access shall determine the impacts of modifying the co-payment structure in Medicaid and VPharm from a three-tiered structure which varies depending on the cost of the drug to a two-tiered structure with a higher co-payment for a brand-name drug than for a generic drug. The office shall analyze the impacts of changing the fee structure on spending in the Medicaid and VPharm programs, on patient utilization of generic drugs and brand-name drugs, and on any access issues.

(b) The office shall report its analysis to the health access oversight committee no later than October 15, 2009. The health access oversight committee shall review the report and, as part of its annual report, make a recommendation to the general assembly on changing the fee structure.

Sec. E.309.5 VPHARM; VERMONTRX; REBATES

(a) As required by sections 2002, 2073(f), and 2074(d) of Title 33, the director of the office of Vermont health access shall require any manufacturer of pharmaceuticals purchased by individuals receiving assistance from VPharm or VermontRx to pay a rebate in an amount at least as favorable as the rebate or price discount paid to the office in connection with the Medicaid program. The director shall negotiate with pharmaceutical companies for the payment of these rebates or price discounts. The department shall explore negotiation strategies taken by other states in order to maximize the rebates or discounts achieved. If the Centers for Medicare and Medicaid Services approve the amendment requested to include VPharm and VermontRx in the Global Commitment to Health Medicaid Section 1115 waiver, the director shall establish rebates or price discounts for these programs as part of Medicaid.

Sec. E.309.6 33 V.S.A. § 2073(c) is amended to read:

(c) V-Pharm shall provide supplemental benefits by paying or subsidizing:

* * *

(2) any other cost-sharing required by Medicare part D, except for co-payments for individuals eligible for Medicaid and as provided for in subdivision (d)(1) of this section;

Sec. E.309.7 33 V.S.A. § 2073(d)(1) is amended to read:

~~(d)(1) The secretary of the agency of human services shall develop by rule the manner by which an individual shall contribute the individual's cost established in subdivision (2) of this subsection, except that individuals eligible for Medicaid shall only be subject to the cost-sharing requirements established by Medicaid and Medicare. The rule shall seek to minimize the possibility of inadvertent loss of eligibility for Medicare part D and V Pharm benefits. Prior to filing the rule, the secretary shall submit the proposed rule to the health access oversight committee. The health access oversight committee shall review and advise on the agency rules and policies developed under this subsection and shall submit for consideration any recommendations to the joint legislative committee on administrative rules.~~ An individual shall contribute a co-payment of \$1.00 for prescriptions where the cost-sharing amount required by Medicare Part D is \$29.99 or less and a co-payment of \$2.00 for prescriptions where the cost-sharing amount required by Medicare Part D is \$30.00 or more. A pharmacy may not refuse to dispense a prescription to an individual who does not provide the co-payment.

Sec. E.309.8 33 V.S.A. § 2074(c) is amended to read:

(c) Benefits under Vermont-Rx shall be subject to payment of a premium ~~amount~~ and co-payment amounts by the recipient in accordance with the provisions of this section.

* * *

(4) A recipient shall contribute a co-payment of \$1.00 for prescriptions costing \$29.99 or less and a co-payment of \$2.00 for prescriptions costing \$30.00 or more. A pharmacy may not refuse to dispense a prescription to an individual who does not provide the co-payment.

Sec. E.309.9 VPHARM; THERAPEUTIC EQUIVALENCY PILOT
PROGRAM

(a) No later than July 1, 2009, the office of Vermont health access shall implement a pilot program to maximize the use of over-the-counter (OTC) and generic drugs used to treat the conditions specified in subsection (b) of this section by individuals enrolled in a Medicare Part D prescription drug plan and VPharm.

(b)(1) The VPharm therapeutic equivalency pilot program shall require the use of an OTC or generic drug in order to receive coverage of the Medicare Part D cost-sharing or of the prescription when the drug would be paid for entirely by VPharm, except that:

(A) an individual who is taking a brand name drug on June 30, 2009, after approval through a prior authorization program, may continue to receive coverage under VPharm for that drug; and

(B) a prescriber may override the substitution of a generic or OTC drug using the same criteria provided for under section 4606 of Title 18 (generic substitutions) by including a detailed explanation regarding:

(i) the OTC or generic drug or drugs that have been previously tried by the patient and:

(I) were ineffective; or

(II) resulted in the adverse or harmful side effects to the patient; or

(ii) the reasons why the provider expects that the OTC or generic drug or drugs may be ineffective or result in adverse or harmful side effects to the patient if the patient has not previously tried the drug or drugs.

(2) The designated pilot classes are lipotropics, which are statins most commonly used for the treatment of high cholesterol, and gastrointestinal proton pump inhibitors, which are most commonly used to reduce gastric acid. The drug utilization review (DUR) board shall determine the list of OTC and generic drugs that shall be available for coverage in each class and shall ensure that the list of generic drugs includes drugs available on the formularies of 90 percent of the Medicare Part D prescription drug plans available in Vermont. In designing the list, the DUR board shall maximize access to a variety of OTC and generic drugs for consumers.

(c) The office of Vermont health access shall notify prescribers and pharmacists about the pilot program and the requirement for the use of OTC and generics in the pilot classes described in subsection (b) of this section in order to receive coverage for those classes under VPharm.

(d) The office of Vermont health access, in collaboration with the DUR board, shall evaluate the pilot program and provide a report no later than January 15, 2010. The evaluation and report shall include an estimate of the savings from the increased use of OTC and generic drugs, negative impacts on consumer choice, and other positive or negative outcomes of the pilot program.

Sec. E.309.10 VPHARM AND VHAP CO-PAYMENTS

(a) Prior to December 5, 2009, the joint fiscal committee may suspend the co-payments in VPharm, VermontRx, and VHAP established under sections E.309.6, E.309.7, E.309.8, and E.309.12 of this act pending further action of the general assembly:

(1) if the Centers for Medicare and Medicaid Services approve the office of Vermont health access' request for an amendment to the Global Commitment for Health Section 1115 Medicaid waiver to include the VPharm program as part of that waiver; or

(2) if the VPharm program is included as a managed care organization (MCO) investment under the Global Commitment for Health.

Sec. E.309.11 MEDICAID COST CONTAINMENT STUDY

(a) The office of Vermont health access shall determine the feasibility of creating a preferred list of or entering into agreements with other states for purchasing medical devices and biologics to maximize the ability of the Medicaid program to ensure high quality products while negotiating favorable prices and containing costs.

(b) No later than January 15, 2010, the office shall report its analysis on the feasibility, including the potential benefits and harms to the senate committees on appropriations and on health and welfare and the house committees on appropriations and on human services.

Sec. E.309.12 VHAP; PRESCRIPTION DRUG CO-PAYMENTS

(a) An individual enrolled in the Vermont health access plan (VHAP) with income at or above 100 percent of the federal poverty guideline shall contribute a co-payment of \$1.00 for prescriptions costing \$29.99 or less and a co-payment of \$2.00 for prescriptions costing \$30.00 or more. A pharmacy may not refuse to dispense a prescription to an individual who does not provide the co-payment.

Sec. E.311 Health – administration and support (Sec. B.311, #3420010000)

(a) Area health education center: Of this appropriation, \$500,000 shall be granted to the area health education center (AHEC) to support the work and infrastructure of the statewide AHEC network to ensure an adequate and appropriate health care workforce, to bring quality improvement programs to health care professionals, and to create partnerships across community-based health care services to improve health care access and integration. Any funds not expended shall be carried forward to be available for use in subsequent fiscal years. The AHEC will provide the department of health with a final progress report and financial report detailing the unexpended funds to be carried forward at the close of the fiscal year.

(b) Health care provider loan forgiveness and repayment programs:

(1) The department of health may carry forward any unspent portion of funds designated for health professional loan repayment. The department and the grantee shall amend contracts to redistribute unexpended funds based on funding needs for identified disciplines. These funds may be used either alone or to match federal National Health Service Corps loan repayment funds, local funds, or private funds and shall be deposited into the loan repayment fund established under 18 V.S.A. § 10a or for the Vermont student assistance corporation for loan forgiveness programs for health care providers through the dental hygienist incentive loan program, the nursing incentive loan program, and the dental student incentive loan program.

(2) Of this Global Commitment fund appropriation, \$870,000 shall be used for the purposes of loan repayment for health care providers and health care educators pursuant to 18 V.S.A. § 10a.

(3) Of this appropriation, \$100,000 is allocated for the Vermont student assistance corporation for loan forgiveness programs for health care providers through the dental hygienist incentive loan program, the nurse incentive loan program, and the dental student incentive loan program.

(c) Vermont academic detailing program:

(1) Of the special fund appropriation, \$300,000 shall be from the evidence-based education and advertising fund in section 2004a of Title 33 and used for the purposes of supporting the evidence-based education program

established under subchapter 2 of Title 18, a university-based educational outreach program for health care professionals administered by the University of Vermont (UVM) College of Medicine office of primary care. The goal of this program is to promote high-quality, evidence-based, patient-centered, cost-effective medication treatment decisions. This program shall present an objective overview of what evidence from studies shows about various drugs used to treat a medical condition.

(2) The UVM office of primary care may collaborate with other states, countries, or entities that are working on similar programs.

(3) The UVM office of primary care may request information and collaboration from the Vermont department of health, the office of Vermont health access, prescribers, pharmacists, private insurers, hospitals, pharmacy benefit managers, drug utilization review boards, state agencies, and other programs in order to best utilize resources, prevent redundancies of effort, and facilitate appropriate linkages to complementary programs, such as the Vermont Blueprint for Health.

(d) Of these Global Commitment funds, \$750,000 shall be used to support the Vermont coalition of clinics for the uninsured health care and dental services provided by clinics for uninsured individuals and families and for federally qualified health center (FQHC) development, service expansion, and uncompensated care.

Sec. E.312 Health – public health (Sec. B.312, #3420021000)

(a) AIDS/HIV funding:

(1) The amount of \$335,000 of the general fund/Global Commitment fund appropriation shall be appropriated to the following Vermont AIDS service organizations and peer-support organizations for client-based support services. It is the intent of the general assembly that if Global Commitment fund monies in this subsection are unavailable, the total funding for Vermont AIDS service organizations and peer-support organizations for client-based support services shall be maintained through the general fund or other state-funding sources. The department of health AIDS program shall meet at least quarterly with the HIV/AIDS Community Advisory Group (CAG) with current information and data relating to service initiatives. The funds shall be allocated as follows:

(A) AIDS Project of Southern Vermont, \$71,863;

(B) ACORN, \$28,745;

(C) IMANI, \$37,985;

(D) VT CARES, \$131,407;

(E) Twin States Network, \$30,000;

(F) People with AIDS Coalition, \$35,000.

(2) Of the federal funds, Ryan White Title II funds for AIDS services and the AIDS Medication Assistance Program shall be distributed in

accordance with federal guidelines. These guidelines shall not apply to programming funded by state general funds.

(3) The amount of \$100,000 of this general fund appropriation shall be appropriated to Vermont AIDS service organizations and other Vermont HIV/AIDS prevention providers for community-based HIV prevention programming which is currently not supported by federal funds due to federal restrictions. These funds shall be used for HIV/AIDS prevention purposes, including improving the availability of confidential and anonymous HIV testing; prevention work with at-risk groups such as women, intravenous drug users, and people of color; anti-stigma campaigns; and promotion of needle exchange programs. No more than 15 percent of the funds may be used for the administration of such services by the recipients of these funds. The method by which these prevention funds shall be distributed shall be determined by mutual agreement of the department of health, AIDS service organizations, the community planning group (CPG), and CAG. The department of health AIDS program shall be guided and advised by CPG and CAG on an ongoing basis in prioritizing prevention service needs in the disbursement of these funds.

(4) The secretary of human services shall immediately notify the joint fiscal committee if, at any time, there are insufficient funds in AMAP to assist all eligible individuals. The secretary shall work in cooperation with persons living with HIV/AIDS to develop a plan to continue access to AMAP medications until such time as the general assembly can take action.

(5) The secretary of human services shall work in conjunction with the AMAP advisory committee, which shall be composed of no less than 50 percent of members who are living with HIV/AIDS. The committee shall make recommendations regarding the program's formulary of approved medication, related laboratory testing, nutritional supplements, and eligibility for the program.

(6) The amount of \$140,000 general fund carry-forward funds from fiscal year 2009 shall be used for assistance to individuals in the HIV/AIDS Medication Assistance Program (AMAP), including the costs of prescribed medications, related laboratory testing, and nutritional supplements. These funds may not be used for any administrative purposes by the department of health or by any other state agency or department. Any remaining AMAP general funds at the end of the fiscal year shall be distributed to Vermont AIDS service organizations in the same proportions as those outlined under this subsection.

(b) Funding for the tobacco programs in fiscal year 2010 shall consist of the \$1,166,803 in tobacco funds and \$529,704 in Global Commitment funds appropriated in Sec. B.312 of this act; and \$212,709 of the tobacco funds appropriated in Sec. B.300 of this act. The tobacco control board shall determine how these funds are allocated to tobacco cessation, community based, media, public education, surveillance, and evaluation activities. This

allocation shall include funding for tobacco cessation programs that serve pregnant women.

(c) Blueprint: Of this appropriation, \$5,051,400 is allocated to the Vermont Blueprint for Health. \$1,300,000 of the funds shall be used to provide incentive grants and stipends to physician practices and hospitals participating in the pilot projects developed under the Vermont Blueprint for Health established in 18 V.S.A. § 702.

Sec. E.313 Health - alcohol and drug abuse programs (Sec. B.313, #3420060000)

(a) For the purpose of meeting the need for outpatient substance abuse services when the preferred provider system has a waiting list of five days or more or there is a lack of qualified clinicians to provide services in a region of the state, a state-qualified alcohol and drug abuse counselor may apply to the department of health, division of alcohol and drug abuse programs, for time-limited authorization to participate as a Medicaid provider to deliver clinical and case coordination services, as authorized.

(b)(1) In accordance with federal law, the division of alcohol and drug abuse programs may use the following criteria to determine whether to enroll a state-supported Medicaid and uninsured population substance abuse program in the division's network of designated providers, as described in the state plan:

(A) The program is able to provide the quality, quantity, and levels of care required under the division's standards, licensure standards, and accreditation standards established by the commission of accreditation of rehabilitation facilities, the joint commission on accreditation of health care organizations, or the commission on accreditation for family services.

(B) Any program that is currently being funded in the existing network shall continue to be a designated program until further standards are developed, provided the standards identified in this subdivision (b)(1) are satisfied.

(C) All programs shall continue to fulfill grant or contract agreements.

(2) The provisions of subdivision (1) of this subsection shall not preclude the division's "request for bids" process.

(c) Of the interdepartmental transfer in this section, \$150,000 shall be used to support the program dealing with gambling addiction.

(d) Of this appropriation, \$35,000 shall be used to support the drug court program in Chittenden County, \$25,000 shall be used to support the drug court program in Rutland County, and \$25,000 shall be used for court coordination in Bennington County.

(e) The department of health shall be advised by an executive council of Vermont's recovery center network on an ongoing basis to prioritize service and funding needs for recovery centers, to assist with the review of recovery

center funding proposals, and to provide recommendations for disbursement of funds to the recovery centers and their support needs. The executive council shall consist of a board member of each recovery center. The executive council shall work with a network coordinator who provides technical assistance and training to recovery centers. The executive council, working with the department of health, shall have oversight of the recovery centers.

(f) Of this appropriation, \$45,000 shall be granted to the Vermont recovery center network. Of the appropriation, \$458,000 is the allocated share of the DETER program for recovery centers and shall be granted to the recovery centers in operation as of June 30, 2008.

(g) It is the intent of the general assembly that Maple Leaf Farm, Serenity House, and Valley Vista will undergo a formal, cost-based rate setting process prior to July 1, 2010. The division of alcohol and drug abuse programs shall report to the joint fiscal committee at its July 2009 meeting with draft rules or a draft procedure for establishing these rates.

(h) The total appropriation reflects a reduction of \$150,000 in treatment services. Prior to taking actions that distribute this savings to providers, the division of alcohol and drug abuse prevention must provide a plan to the joint fiscal committee at the July 2009 meeting for its review and approval.

(i) Of this appropriation, \$500,000 shall be available for operating expenses for a Chittenden County pilot program to unify existing treatment efforts in the county that will demonstrate savings in hospital expenditures related to

detoxification and emergency treatment sufficient to offset the initial start-up investment by the end of the second year of operation and savings that exceed 50 percent of the program operation by the end of the third year of operation.

Sec. E.315 Mental health – Vermont state hospital (Sec. B.315,

#3150080000)

(a) The community recovery residential program developed under this section shall be consistent with the goals identified in the existing “futures plan.”

Sec. E.316 Department for children and families – administration and support services (Sec. B.316, #3440010000)

(a) Of this appropriation, \$14,000 in general funds shall be provided as a grant to the Vermont Girl Scouts for a program enabling girl scouts and their siblings to visit their mothers in prison.

Sec. E.317 FISCAL YEAR 2010 PAYMENT RATES FOR PRIVATE

NONMEDICAL INSTITUTIONS PROVIDING RESIDENTIAL
CHILD CARE SERVICES

(a) Notwithstanding any other provisions of law, for state fiscal year 2010, the division of rate setting shall calculate payment rates for private nonmedical institutions (PNMI) providing residential child care services consistent with Sec. B.1104 (AHS Grant Reductions) of this act and as provided for under this section.

(b) General rule. The division of rate setting shall calculate PNMI per-diem rates for state fiscal year 2010 as a percentage of each program's final per diem rate in effect on June 30, 2009. This percentage will equal a number ranging from 96 to 100 percent of each program's final per diem rate in effect on June 30, 2009, depending on funds available as determined by the secretary of human services as provided for in Sec. B.1104 of this act. Each PNMI program per diem rate will be set with the same percentage. The following is the one exception to this general rule:

(1) For programs categorized by the placement authorizing departments as crisis-stabilization programs with typical lengths of stay from 0 to 10 days, rates for state fiscal year 2010 shall be set retroactively as follows:

(i) The allowable budget shall be set by applying the same percentage used in subsection (a) of this section to the final approved budget for the rate year which includes June 30, 2009. The monthly allowable budget shall be the allowable budget divided by 12.

(ii) Within five days of the end of each month in state fiscal year 2010, the program shall submit the prior month's census to the division of rate setting. The per-diem rate shall be set for the prior month by dividing the monthly allowable budget amount by the total number of resident days for the month just ended.

(c) Providers are not required to submit funding applications pursuant to section 3 of the PNMI rate setting rules for state fiscal year 2010.

(d) Rates set for state fiscal year 2010 shall be issued as final. The division shall send notices of each PNMI provider's per diem rate by July 1, 2009.

(e) For state fiscal year 2010, the three-month waiting provision of section 8.1(b) of the PNMI rate setting rules for the submission of a rate adjustment application is waived.

(f) For state fiscal year 2010, approved section 8 rate amounts, excluding financial relief, shall be reduced by the appropriate percentage consistent with the percentage used in calculating rates pursuant to subsection (a) of this section.

(g) The division shall ensure that setting rates of new PNMI residential programs does not disadvantage PNMI residential programs affected by subsection (a) of this section.

Sec. E.318 CHILD CARE ELIGIBILITY AND RATES; PROCESS

(a) It is the intent of the general assembly to address disparities in the child care subsidy program established in subchapter 2 of chapter 35 of Title 33, both in income eligibility for the program and in child care provider rates. Currently, income eligibility is based on the federal poverty guideline and median income levels from 2000, and child care rates are insufficient for many families, requiring large co-payments or the approval of case-by-case variances.

(b) The purpose of this section is to direct the department to review and create a detailed proposal to reconstruct the current child care provider rate

structure during the interim. The proposal would increase the income eligibility amounts to reflect 2009 federal poverty guideline (FPL) income levels while setting the floor for the upper income limit at no less than 200 percent of FPL. This change would increase the current upper income limit for a child care subsidy for a family of four from \$43,747 to \$44,088 and would allow for a higher upper income limit in the future if state funds are available.

(c)(1) The department for children and families shall create a proposal to restructure the child care subsidy rate structure to provide incentives for regulated child care providers to improve quality, reflect increased payments available through pre-kindergarten funding, and allow for a rate structure that is sufficient and not dependent on providing exceptions to existing rates.

(2)(A) The department shall report to the joint fiscal committee no later than its September 2009 meeting with a proposal meeting the intent and purposes of this section and the criteria in this subsection (c).

(B) The department shall also provide a summary of the proposal to the house committee on human services and the senate committee on health and welfare one week prior to the joint fiscal committee. The chairs of the house committee on human services and the senate committee on health and welfare may comment on the proposal to the joint fiscal committee.

(C) The joint fiscal committee may approve, deny, or suggest modifications to the proposal. If the joint fiscal committee suggests modifications, the department may accept the modifications at the next

scheduled joint fiscal committee meeting or may revise its proposal for presentation at the next scheduled joint fiscal committee.

(d)(1) The department may simultaneously begin the rulemaking process provided for in chapter 26 of Title 3 to modify the child care subsidy program to conform to the proposal developed under this section. The department shall provide a copy of the draft rule to the joint fiscal committee with its proposal.

(2) Notwithstanding the time limitations in chapter 26 of Title 3 provided for review by the legislative committee on rules (LCAR), the rule modifications provided for in this subsection (d) shall not be approved by LCAR until and unless the joint fiscal committee has approved the department's proposal as provided for in subsection (c) of this section.

Sec. E.318.1 33 V.S.A. § 3512(b) is amended to read:

(b) The subsidy authorized by this section shall be on a sliding scale basis. The scale shall be established by the commissioner, by rule, and shall bear a reasonable relationship to income and family size. The lower limit of the fee scale shall include families whose gross income is up to and including 100 percent of the federal poverty guidelines. The upper income limit of the fee scale shall be neither less than ~~82.5 percent~~ 200 percent of the federal poverty guidelines nor more than 100 percent of the state median income, adjusted for the size of the family. The scale shall be structured so that it encourages employment.

Sec. E.320 Department for children and families-aid to aged, blind and disabled (Sec. B.320, #3440050000)

(a) Notwithstanding chapter 13 of Title 33, the secretary of human services may reduce the state supplemental payment only by an amount equal to or less than 50 percent of the amount of the cost of living increase provided under the federal Supplemental Security Income (SSI) program. If individuals receiving SSI do not receive a cost of living increase, the secretary shall not reduce the state supplemental payment.

Sec. E.321. Sec. 137 of No. 65 of the Acts of 2007, as amended by Sec. 49 of No. 90 of the Acts of 2008 and Sec. 5.216 of No. 192 of the Acts of 2008 is further amended to read:

Sec. 137. GENERAL ASSISTANCE BENEFITS; FLEXIBILITY
PROGRAM

(a) Commencing with state fiscal year 2007, the agency of human services may establish ~~an~~ a housing assistance program within the general assistance program to create flexibility to provide these general assistance benefits. The purpose of the program is to mitigate poverty and serve applicants more effectively than they are currently served with the same amount of general assistance funds. The program shall operate consistent within existing statutes and rules except that it may grant exceptions to this program's eligibility rules and may create programs and services as alternatives to these rules.

~~(e)~~(b) The program may operate in up to 12 districts designated by the secretary of human services. This program will be budget neutral. For each district in which the agency operates the program, it shall establish procedures for evaluating the pilot and its effects. The agency shall report annually to the general assembly on its findings from the programs, its recommendations for changes in the general assistance program, and a plan for further implementation of the program.

(c) The agency shall continue to engage interested parties, including both statewide organizations and local agencies, in the design, implementation, and evaluation of the general assistance flexibility program.

Sec. E.321.1 HOUSING ASSISTANCE; ARRA FUNDS

(a) This section shall not apply to the administration of housing assistance funded with general funds provided through the general assistance program under Sec. E.321 of this act and existing rules.

(b) In fiscal year 2010, the agency of human services may establish a housing assistance program with homelessness prevention and rapid rehousing program (HPRP) funds from the American Recovery and Reinvestment Act of 2009, Public Law 111-5. HPRP funds shall be granted to direct-service community organizations which demonstrate experience and expertise in serving the homeless or those at risk for homelessness. The funds shall also be granted in accordance with requirements established by the U.S. Department of Housing and Urban Development (HUD).

(c) The agency shall engage interested parties in the design of the program requirements, including a core set of services to be provided; implementation of the program; and evaluation of the program.

(d)(1) The agency shall establish procedures to ensure equitable access to housing assistance provided by direct service community organizations with HPRP funds, in compliance with chapter 139 of Title 9, through a standard application and assessment process.

(2) The agency shall ensure that grantees of these funds provide an appropriate grievance and appeal process for applicants and recipients of the funds, including for expedited appeals.

(e)(1) The agency shall establish reporting procedures for all grantees receiving HPRP funds to provide housing assistance and collect sufficient information to determine that grantees are following all requirements and to evaluate the program's effectiveness

(2) The agency of human services field service directors shall monitor the housing assistance programs provided by direct service community organizations granted HPRP funds and assess the effectiveness of these programs.

Sec. E.322 33 V.S.A. § 1701 is amended to read:

§ 1701. ~~FOOD STAMP~~ SUPPLEMENTAL NUTRITION ASSISTANCE
PROGRAM

(a) The state of Vermont may participate in the federal ~~food stamp~~ supplemental nutrition assistance program which is provided for under Public Law 88-525, also known as the Food Stamp Act of 1964, as amended. The commissioner may adopt, and from time to time amend or repeal, regulations governing the operation of the program in the state.

(b) ~~{Repealed.}~~ An individual domiciled in Vermont shall be exempt from the disqualification provided for in 21 U.S.C. § 862a.

* * *

Sec. E.322.1 SCHOOL NUTRITION PROGRAM PILOT PROJECT

(a) No later than August 1, 2009, the department of education shall apply to the Food and Nutrition Service for permission to conduct a pilot project under 42 U.S.C. § 1769i to simplify the certification process for families receiving the earned income tax credit who are categorically eligible for the state nutrition assistance program (SNAP). The pilot project shall be designed to allow families receiving the earned income tax to enroll in the school nutrition programs by providing the school with a receipt of proof of earned income tax credit without having to apply for SNAP. The pilot shall be implemented no earlier than August 1, 2010.

Sec. E.322.2 SUPPLEMENTAL NUTRITION ASSISTANCE; AGENCY
ERRORS

(a) No later than July 1, 2009, the department for children and families shall submit a cost analysis to the Food and Nutrition Service (FNS) for permission to not establish an overpayment in the supplemental nutrition assistance program, called 3SquaresVt, when the overpayment to the household resulted from agency error and the overpayment amount is \$500 or less.

Sec. E.323 33 V.S.A. § 1103(c)(8) is added to read:

(8) An individual domiciled in Vermont shall be exempt from the disqualification provided for in 21 U.S.C. § 862a.

Sec. E.323.2 33 V.S.A. § 1203a is added to read:

§ 1203a. APPLICATION OF 21 U.S.C. § 862a

An individual domiciled in Vermont shall be exempt from the disqualification provided for in 21 U.S.C. § 862a.

Sec. E.324 Department for children and families – home heating fuel assistance/LIHEAP (Sec. B.324, #3440090000)

(a) Of the funds appropriated for home heating fuel assistance/LIHEAP in this act, no more than \$350,000 shall be expended for crisis fuel direct service/administration exclusive of statewide after-hours crisis coverage.

Sec. E.324.1 HOME HEATING FUEL ASSISTANCE/LIHEAP

(a) For the purpose of a crisis set-aside, for seasonal home heating fuel assistance through December 31, 2009, and for program administration, the commissioner of finance and management shall transfer \$2,550,000 from the home weatherization assistance trust fund to the home heating fuel assistance fund to the extent that federal LIHEAP or similar federal funds are not available. An equivalent amount shall be returned to the home weatherization trust fund from the home heating fuel assistance fund to the extent that federal LIHEAP or similar federal funds are received. Should a transfer of funds from the home weatherization assistance trust fund be necessary for the 2009–2010 crisis set-aside and for seasonal home heating fuel assistance through December 31, 2009, and if LIHEAP funds awarded as of December 31, 2009 for fiscal year 2010 do not exceed \$2,550,000, subsequent payments under the home heating fuel assistance program shall not be made prior to January 30, 2010. Notwithstanding any other provision of law, payments authorized by the office of home heating fuel assistance shall not exceed funds available, except that for fuel assistance payments made through December 31, 2009, the commissioner of finance and management may anticipate receipts into the home weatherization assistance trust fund.

Sec. E.324.2 33 V.S.A. § 2606(e) is added to read:

(e) Notwithstanding subsections (a) and (b) of this section, the secretary may accept applications on an ongoing basis for the 2010–2011 heating season

beginning on March 1, 2010 and may establish by rule the procedure for accepting applications and determining eligibility under this subsection. No later than January 15, 2010, the secretary shall provide draft legislation to modify the process for application, eligibility, and calculation and issuance of benefits under the seasonal fuel assistance program using a new eligibility system to the house committee on human services and the senate committee on health and welfare.

Sec. E.324.3 33 V.S.A. § 2604(c)(2) is amended to read:

(2) Residents of housing units subsidized by the federal, state, or local government shall be deemed to have incurred no annual home heating fuel costs, except to the extent required by any federal law or regulation if federal funds are utilized for the home heating fuel assistance program, and with the following additional exception. Housing unit residents ~~that receive Temporary Assistance to Needy Families (TANF)~~, who participate in Reach Up under chapter 11 of this title, or who receive Supplemental Security Income/Aid to the Aged, Blind, or Disabled (SSI/AABD), TANF emergency assistance, or general assistance benefits that are used in whole or in part to pay for their housing or utility costs and do not receive other federal, state, or local government assistance targeted specifically to their housing or utility needs shall, with the exception of households for which the cost of heat is supplied by the landlord, be assumed to incur annual home heating fuel costs and their

eligibility for annual heating fuel assistance shall not be limited by this subsection.

Sec. E.324.4 33 V.S.A. § 2605(c) is amended to read:

(c) Annually, based on the number of eligible households that have applied, and for which the cost of heat is not supplied by the landlord, these households' individual incomes and individual annual heating fuel cost, based on the proxy table established pursuant to ~~section~~ subsection 2604(b) of this title, the number of eligible households that have applied and for which the cost of heat is supplied by the landlord, the cost of benefits for these households, and the amount of funds available in the home heating fuel assistance ~~trust~~ fund for the purpose of providing annual home heating fuel assistance benefits, the secretary shall, by procedure, set the payment rate that shall be used to determine the amount of annual home heating fuel assistance for which each household for which the cost of heat is not supplied by the landlord qualifies. In no event shall the payment rate be greater than 100 percent of the maximum percentage established by rule as required by subsection (b) of this section.

Sec. E.324.5 33 V.S.A. § 2609 is amended to read:

§ 2609. CRISIS RESERVES

Annually, the secretary shall determine by rule an appropriate amount of funds in the home heating fuel assistance ~~trust~~ fund to be set aside for expenditure for the crisis reserve component of the home heating fuel program.

The secretary shall also adopt rules to define crisis situations for the expenditure of the home heating fuel crisis reserve, and to establish the income and asset eligibility requirements of households for receipt of crisis reserve home heating fuel assistance, provided that no household shall be eligible whose household income is greater than 150 percent of the federal poverty level based on the income of all persons residing in the household.

Sec. E.325 Department for children and families - office of economic opportunity (Sec. B.325, #3440100000)

(a) Of the general fund appropriation in this section, \$792,000 shall be granted to community agencies for homeless assistance by preserving existing services, increasing services, or increasing resources available statewide.

These funds may be granted alone or in conjunction with federal McKinney emergency shelter funds. Grant decisions shall be made with assistance from the coalition of homeless Vermonters.

Sec. E.326 Department for children and families - OEO - weatherization assistance (Sec. B.326, #3440110000)

(a) Of the special fund appropriation in this section, \$400,000 is for the replacement and repair of home heating equipment.

(b) As part of the administration's annual budget testimony before the house and senate committees on appropriations, the office of economic opportunity shall report on appropriations utilizing existing resources within state government available in the office of economic opportunity's

weatherization data management system that compiles performance data

available on households weatherized in the past year to include:

(1) the number of households weatherized;

(2) the average program expenditure per household for energy efficiency;

(3) the average percent in energy savings;

(4) the energy and non-energy benefits combined;

(5) the benefits saved for every dollar spent;

(6) the average savings per unit for heating fuels;

(7) the gallons of oil saved related to the equivalent number of homes heated;

(8) projected number of households to be weatherized in the current program year; and

(9) the projected program expenditures for the current program year ending March 31.

(c) Appropriations from the weatherization trust fund may be limited based on the revenue forecast for the fund from the gross receipts tax as adopted pursuant to 32 V.S.A. § 305a.

Sec. E.326.1 FISCAL YEAR 2010 STATE WEATHERIZATION EFFORTS

(a) The general assembly recognizes the importance of weatherization activities as a key component of housing affordability in Vermont. To this

end, for fiscal year 2010, the following state resources shall be targeted to furthering weatherization efforts:

(1) \$5,160,000 of proceeds from the gross receipts tax to the weatherization trust fund to support weatherization activities of the office of economic opportunity;

(2) \$3,496,000 of Regional Greenhouse Gas Initiative (RGGI) funds through the Vermont department of public service and through the electric efficiency fund to deliver fossil fuel energy efficiency services to Vermont heating and process-fuel consumers to help meet the state's building efficiency goals established by 10 V.S.A. § 581.

(b) The Vermont housing conservation board and the Vermont housing finance agency shall carry out its affordable housing activities, to the extent possible, to improve weatherization and building envelope efficiency.

(c) In carrying out its affordable housing activities, to the maximum extent feasible, the Vermont housing and conservation board shall utilize appropriate amounts from the funds authorized in this act together with other available weatherization resources and programs in Vermont to ensure that new construction and rehabilitation of affordable apartments and homes with funding support from the board will achieve increased short- and long-term energy efficiencies.

Sec. E.330 Disabilities, aging, and independent living - advocacy and independent living (Sec. B.330, #3460020000)

(a) Of this appropriation, \$100,000 shall be granted to support a supportive housing demonstration project managed by Cathedral Square Corporation. It is the intent of the general assembly that these funds be used as matching funds for a two-year period for grants to conduct research on cost-efficient and quality services in senior housing. Cathedral Square, in conjunction with the department of disabilities, aging, and independent living, shall identify the programmatic interventions intended to achieve measurable outcomes, including savings from services not needed because of the demonstration project services or improvements in participants' physical and mental well-being. The general assembly recognizes the imperative to develop a long-term care system in Vermont designed to meet the needs of a senior population projected to double by the year 2030. The general assembly endorses this demonstration project as the potential foundation for a home-centered long-term care policy in Vermont. The department and demonstration shall report to the health access oversight committee no less than every six months on the progress of the demonstration project.

(b) Certification of adult day providers shall require a demonstration that the new program is filling an unmet need for adult day services in a given geographic region and does not have an adverse impact on existing adult day services.

(c) Of this appropriation, \$23,655 in general funds shall be allocated for special assistance to adult day service providers. The department shall develop criteria on the use of these funds in consultation with the adult day programs. Funds remaining in this allocation after March 30, 2010 shall be distributed on an equitable basis to adult day programs by the close of the fiscal year.

(d) Of this appropriation, \$109,995 in general funds shall be allocated for base funds to adult day programs in the same proportion as they were allocated in fiscal year 2009.

(e) At the end of fiscal year 2009, of the remaining moderate needs group (MNG) funds originally allocated to adult day services, the department shall allocate \$12,367 to cover lifting the MNG 30-hour cap to 50 hours and \$97,108 to adult day services programs that have overutilized their MNG funds. All adult day services shall agree to stay within their allocations for fiscal year 2010, even if people have to go on waiting lists.

Sec. E.335 Corrections- administration (Sec. B.335, #3480001000)

(a) The department is authorized to explore the transition of the northern correctional facility (Newport) in whole or in part to a detention center that can be leased to the federal government that is sufficient to cover the cost of operating any leased portion which would remain operated by state employees. The department shall provide a status update at each meeting of the joint corrections oversight committee. Prior to implementing a transition, the department shall submit a plan for approval to both the joint corrections

oversight committee and joint fiscal committee. The plan shall include how offender programs at the facility would be addressed in such a transition, specifically whether programs would be continued, moved, reduced, or eliminated.

Sec. E.337 Corrections – correctional education (Sec. B.337, # 3480003000)

(a) The appropriation in this section shall be made, notwithstanding 28 V.S.A. § 120(g).

Sec. E.338 Corrections – correctional services (Sec. B.338, # 3480004000)

(a) Of this general fund appropriation, \$106,820 shall be used as a grant to Dismas House of Vermont, Inc.

(b) Of the funds appropriated, up to \$8,000 shall be for equipment purchased for the “wood warms” program in Bennington.

(c) Of the funds allocated for transitional housing, \$200,000 shall be transferred to the agency of human services central office. It is the intent of the general assembly that the secretary of the agency of human services and the department of corrections in partnership with appropriate community providers and local or state housing authorities create a rental subsidy pilot program that results in successful reentry of eligible offenders. The program shall be designed to meet the following:

(1) Does not result in a concentration of reentrant populations in a single building, immediate group of buildings, or neighborhood.

(2) Is not limited to particular communities but can be applied statewide.

(3) Provides direct vendor payments to landlords for up to six months on a month-to-month basis.

(4) Conditions of release incorporate lease requirements.

(5) Savings from the program which can be reinvested in a manner that maintains or expands this pilot project or both or in other transitional housing activities that result in successful offender reentry.

(6) Coordination with offender reentry plans to assure necessary community services and case management.

Sec. E.342 Vermont veterans' home – care and support services (Sec. B.342, #3300010000)

(a) If Global Commitment fund monies are unavailable, the total funding for the Vermont veterans' home shall be maintained through the general fund or other state funding sources.

(b) The Vermont veterans' home will use the Global Commitment funds appropriated in this section for the purpose of increasing the access of quality health care to uninsured persons, underinsured persons, and Medicaid beneficiaries.

* * * Labor * * *

Sec. E.400 DEPARTMENT OF LABOR; AGENCY OF COMMERCE AND
COMMUNITY DEVELOPMENT; LEGISLATIVE
COMMITTEE

(a) A committee is created to consist of the following members: three members at large appointed by the speaker of the house; three members at large appointed by the committee on committees; and three members at large appointed by the governor. A chair shall be appointed jointly by the speaker, the committee on committees, and the governor.

(b) The committee shall make recommendations for the possible restructuring of the agency of commerce and community development and the department of labor so that these agencies are better able to serve their respective constituencies by:

(1) Identifying areas for enhanced collaboration and increased efficiencies, including combining information technology resources and fiscal and accounting services and sharing regional information and common customer resource and service management.

(2) Reviewing funding sources for the agency and the department, the requirements and limitations for those sources, and evaluating how they will be affected by the restructuring plan.

(3) Examining the likelihood of general fund savings resulting from restructuring.

(4) Identifying staffing and compliance issues resulting from the receipt of federal funding.

(5) Examining management structures, including the duties and responsibilities of commissioners, deputy commissioners, and exempt division directors.

(6) Recommending a new organizational structure, possibly with a focus on grouping divisions or departments around common functions and constituencies.

(7) Examining alternative co-locations for administrative and operational functions located in Montpelier and regionally.

(8) Considering other areas of state government that might appropriately be included in the recommended structure.

(9) Establishing a time line for restructuring that provides the least disruption of essential services, particularly at a time of high unemployment, and that may contemplate a phased implementation plan.

(10) Gathering information on other models in other states.

(c) Prior to making its recommendations, the committee shall meet with, seek input from, and discuss restructuring with potentially affected constituencies, including: the secretary of commerce and community development, the commissioners of the departments of the agency of commerce and community development, the commissioner of labor, employees of the agency of commerce and community development and the

department of labor, all state entities connected with these agencies, the Vermont league of cities and towns, municipalities, private planners and community development consultants, regional planning commissions, regional development corporations, chambers of commerce, historic preservationists, workforce investment boards, the Vermont Bar Association's workers' compensation committee, labor unions, training and education providers, housing entities, the Vermont institute on government effectiveness, and the general business community. The committee shall also utilize and build upon existing studies and research.

(d) The committee shall meet with the joint legislative government accountability committee in order to coordinate recommendations.

(e) The committee may meet up to eight times while the legislature is not in session.

(f) The legislative council shall provide professional and administrative support to the committee. Committee members are entitled to compensation and reimbursement of expenses as provided under section 406 of Title 2.

(g) The committee shall submit its recommendations to the legislative committees of jurisdiction no later than January 15, 2010.

Sec. E.401 Labor - programs (Sec. B.401, 4100500000)

(a) The workforce development council shall allocate funding to the workforce investment boards based upon the performance of the local

workforce investment boards, measured according to standards established by the council.

Sec. E.401.1 10 V.S.A. § 543(f) is amended to read:

(f) Awards. Based on guidelines set by the council, the commissioner of labor shall make awards to the following:

(1) Training Programs. Public, private, and nonprofit entities for existing or new innovative training programs. There shall be a preference for programs that include training for newly created or vacant positions. Awards may be made to programs that retrain incumbent workers. ~~The department shall ensure there are resources available in each quarter of the fiscal year.~~ Awards under this subdivision shall be made to programs or projects that do all the following:

* * *

* * * K-12 Education * * *

Sec. E.500 Education – finance and administration (Sec. B.500, #5100010000)

(a) The Global Commitment funds appropriated in this section for school health services, including school nurses, shall be used for the purpose of funding certain health-care-related projects. It is the goal of these projects to reduce the rate of uninsured or underinsured persons or both in Vermont and to increase the access of quality health care to uninsured persons, underinsured persons, and Medicaid beneficiaries.

Sec. E.500.1 THE AMERICAN RECOVERY AND REINVESTMENT ACT
OF 2009; EDUCATION

(a) The American Recovery and Reinvestment Act of 2009.

(1) The American Recovery and Reinvestment Act of 2009 (ARRA)
provides billions of dollars in federal funds to stimulate the economy in the
short term and to invest in education and other essential public services
necessary to ensure the long-term economic health of the nation.

(2) Four principles guide distribution of ARRA funds:

(A) Spend funds quickly to save and create jobs.

(B) Improve student achievement through school reform.

(C) Ensure transparency, reporting, and accountability.

(D) Invest one-time ARRA funds thoughtfully to minimize
unsustainable recurring costs in the future.

(b) Title VIII of the ARRA. In Title VIII, the ARRA appropriates
additional funding to supervisory unions and school districts through existing
federal programs, such as Title I of the Elementary and Secondary Education
Act (Title I) and the Individuals with Disabilities Education Act (IDEA), to
enhance and develop educational practices and outcomes for students who are
disadvantaged or disabled, to provide supports for the lowest performing
schools, and to promote innovation and improvement in education for all
students.

(c) Department of education. The general assembly recognizes that, if it has the capacity, the department of education shall help supervisory unions and school districts to use IDEA, Title I, and other federal stimulus funds, both within and among these entities, in coordinated, fiscally prudent ways that advance the educational purposes of the ARRA. Therefore, it is the intent of the general assembly to ensure that the department has the positions and funding that it needs to help supervisory unions and school districts. Examples of departmental assistance include:

(1) Developing, coordinating, or providing professional development models to assist implementation of evidence-based strategies to:

(A) Increase student participation and achievement levels, such as through responsiveness to intervention (RTI), positive behavioral supports (PBS), differentiated instruction (DI), the Vermont integrated instructional model (VIIM), and the formative assessment project.

(B) Provide effective prevention and intervention strategies to support students at risk of not completing high school.

(C) Promote secondary school transformation.

(D) Support early intervention and early childhood education.

(2) Coordinating early intervention and early education services statewide.

(3) Aiding school districts to provide assistive technology equipment not otherwise available to them through existing funding sources.

(d) Supervisory unions and school districts. It is the intent of the general assembly that federal IDEA, Title I, and any other federal stimulus funds received by supervisory unions or school districts are used in fiscally prudent ways to advance the purposes of the ARRA as it relates to education without creating unsustainable recurring costs, such as:

(1) To provide intensive professional development opportunities in special education and general education that focus on implementing innovative, evidence-based, schoolwide strategies in reading, math, and science and in the use of positive behavioral interventions and supports.

(2) To establish a system to identify and train highly effective teachers to serve as instructional leaders and mentors.

(3) To implement innovative, flexible, evidence-based programs and practices to identify and support students who are at risk of not completing high school.

(4) To implement student progress monitoring systems to assist teachers and administrators to collect and use data to improve instruction and learning for all students.

(5) To provide intensive training and coaching to teachers, administrators, and para-educators to improve services provided to students with disabilities, including autism and emotional behavioral disorders.

(6) To provide additional intervention services for children with disabilities who are eligible for early childhood education as that term is defined in 16 V.S.A. § 11(a)(31).

(7) To support the training and certification of early childhood educators working in a program offered by or through a school district.

(8) To increase the federal share of special education costs.

Sec. E.500.2 FIVE LIMITED SERVICE POSITIONS WITHIN THE
DEPARTMENT OF EDUCATION

(a) Five limited service positions are authorized within the department of education to support implementation of Sec. E.500.1 of this act, including one exempt attorney position to specialize in special education law, one program coordinator I position, and three education consultant II positions.

(b) Of the funds appropriated in Sec. B.500 of this act, \$325,000 is from the special fund created in subsection 2959a(b) of Title 16 through an allocation made pursuant to subsection 2959a(f) of that title.

Sec. E.501 Education – education services (Sec. B.501 #510003000)

(a) In fiscal year 2010 and fiscal year 2011, \$1,131,751 shall be paid by the education fund for early education initiative grants for at-risk preschoolers. In fiscal year 2012, these expenses shall revert to the general fund, and the general fund transfer shall be adjusted accordingly.

Sec. E.501.1 Sec. 9.0001(d) of No 192 of the Acts of 2008 (sunset; teen parent education programs) is amended to read:

(d) Sec. 5.304.1 of this act shall take effect on July 1, 2008 and shall remain in effect until July 1, ~~2009~~ 2010.

Sec. E.502 Education-special education formula grants (Sec. B.502, #5100040000)

(a) The education fund appropriated in this section shall be made notwithstanding 16 V.S.A. §§ 2963(c)(3) and 2967(b).

Sec. E.503 Education – state-placed students (Sec. B.503, #5100050000)

(a) The independence place program of the Lund Family Center shall be considered a 24-hour residential program for the purposes of reimbursement of education costs.

Sec. E.504 Education-adult education and literacy (Sec. B.504, #5100060000)

(a) Of this appropriation, the amount from the education fund shall be distributed to school districts for reimbursement of high school completion services pursuant to 16 V.S.A. § 1049a(c).

Sec. E.505 COMMUNITY HIGH SCHOOL OF VERMONT GRANT

(a) From the education funds appropriated in Sec. B.505 in fiscal year 2010 and fiscal year 2011, a base education payment shall be paid to the community high school of Vermont for full-time equivalent students studying high school equivalency coursework. For fiscal year 2010, this total grant shall be set at the base education payment for 355 full-time equivalent pupils. This amount

shall be transferred from the funds appropriated in Sec. B.505 to the department of corrections - correctional education program. These payments shall be made, notwithstanding 16 V.S.A. § 4025(b)(1). In fiscal year 2012, these expenses shall revert to the general fund, and the general fund transfer shall be adjusted accordingly

Sec. E.505.1 Education – adjusted education payment (Sec. B.505, #5100090000)

(a) Any calculations required to identify funding levels for the education fund budget stabilization reserve under 16 V.S.A. § 4026(b) shall be calculated as if in fiscal year 2010 those revenues and appropriations included \$38,575,036 in additional revenues and \$38,575,036 in additional expenditures.

Sec. E.511 Education-technical education (Sec. B.511, #5100200000)

(a) The appropriation in this section shall be authorized, notwithstanding 16 V.S.A. § 1564.

Sec. E.511.1 REPEAL

(a) 16 V.S.A. § 1564 (equipment replacement fund) is repealed.

Sec. E.512 Education – No. 117 of the Acts of 2000 – cost containment (Sec. B.512, #5100310000)

(a) Notwithstanding any other provisions of law, expenditures made from this section shall be counted under 16 V.S.A. § 2967(b) as part of the state's 60-percent share of the statewide total special education expenditures of funds which are not derived from federal sources.

Sec. E.513 EDUCATION FUND TRANSFER ADJUSTMENT FOR ARRA
FUND OFFSET

(a) Notwithstanding 16 V.S.A. § 4025(2), for fiscal year 2010, the general fund transfer to the education fund shall be \$239,203,945.

(b) Notwithstanding 16 V.S.A. § 4025(2), it is the intent of the general assembly that the fiscal year 2011 transfer shall be funded at \$240,803,945 less any adjustment for changes in the current use program.

(c) It is the intent of the general assembly that the fiscal year 2012 general fund transfer shall be as required in 16 V.S.A. § 4025(2) less any continuing offset for federal state fiscal stabilization funds.

Sec. E.513.1 16 V.S.A. § 4025(b) is amended to read:

(b) Moneys in the education fund shall be used for the following:

(1) To make payments to school districts and supervisory unions for the support of education in accordance with the provisions of section 4028 of this title, other provisions of this chapter, and the provisions of chapter 135 of Title 32.

(2) To cover the cost of fund auditing, accounting, and of short-term borrowing to meet fund cash flow requirements.

(3) To make payments required under subdivisions 6066(a)(1) and (2) of Title 32 and only that portion attributable to education taxes, as determined by the commissioner of taxes, of payments required under subdivisions 6066(a)(3) and 6066(b) of Title 32.

* * *

Sec. E.514 State teachers' retirement system (Sec. B.514, #1265010000)

(a) In accordance with 16 V.S.A. § 1944(g)(2), the amount of the annual contribution to the Vermont state teachers' retirement system shall be \$41,503,002 in fiscal year 2010.

(b) In accordance with 16 V.S.A. § 1944(c)(2), of the annual contribution, \$19,821,109 is the "normal contribution," and \$21,681,893 is the "accrued liability contribution."

(c) The general assembly is proposing that a combination of \$40,228,002 in general funds and an estimated \$1,275,000 of Medicare Part D reimbursement funds be utilized to achieve funding at the actuarially recommended level.

* * * Higher Education * * *

Sec. E.600 University of Vermont (Sec. B.600, #1110006000)

(a) The commissioner of finance and management shall issue warrants to pay one-twelfth of this appropriation to the University of Vermont on or about the 15th day of each calendar month of the year.

(b) Of this appropriation, \$380,326 shall be transferred to EPSCoR (Experimental Program to Stimulate Competitive Research) for the purpose of complying with state matching fund requirements necessary for the receipt of available federal or private funds or both.

(c) If Global Commitment fund monies are unavailable, the total grant funding for the University of Vermont shall be maintained through the general fund or other state funding sources.

(d) The University of Vermont will use the Global Commitment funds appropriated in this section to support Vermont physician training. The University of Vermont prepares students, both Vermonters and out-of-state, and awards approximately 100 medical degrees annually. Graduates of this program, currently representing a significant number of physicians practicing in Vermont, deliver high quality health care services to Medicaid beneficiaries and to the uninsured or underinsured persons or both in Vermont and across the nation.

Sec. E.602 Vermont state colleges (Sec. B.602, #1110009000)

(a) The commissioner of finance and management shall issue warrants to pay one-twelfth of this appropriation to the Vermont state colleges on or about the 15th day of each calendar month of the year.

(b) Of this appropriation, \$428,786 shall be transferred to the Vermont manufacturing extension center for the purpose of complying with state matching fund requirements necessary for the receipt of available federal or private funds or both.

Sec. E.603 Vermont state colleges – allied health (Sec. B.603, #1110010000)

(a) If Global Commitment fund monies are unavailable, the total grant funding for the Vermont state colleges shall be maintained through the general fund or other state funding sources.

(b) The Vermont state colleges shall use the Global Commitment funds appropriated in this section to support the dental hygiene, respiratory therapy, and nursing programs which graduate approximately 250 health care providers annually. These graduates deliver direct, high quality health care services to Medicaid beneficiaries and uninsured or underinsured persons or both.

Sec. E.605 Vermont student assistance corporation (Sec. B.605, #1110012000)

(a) Of this appropriation, \$25,000 is appropriated from the general fund to the Vermont student assistance corporation to be deposited into the trust fund established in 16 V.S.A. § 2845.

(b) Except as provided in subsection (a) of this section, not less than 100 percent of grants shall be used for direct student aid.

(c) Of state funds available to the Vermont student assistance corporation pursuant to Sec. E.215(a) and E.1100(a)(3)(B) of this act, \$242,500 shall be used for the purposes of 16 V.S.A. § 2856. Any unexpended funds from these allocations shall carry forward for this purpose.

* * * Natural Resources * * *

Sec. E.700 Natural Resource – Agency of Natural Resources - Administration

(a) Of the funds appropriated in Sec. B.700, \$25,000 is for water management typing for the White River basin and the West, Williams, and Saxons river basin.

(1) \$12,500 shall be granted to the Two Rivers Ottauquechee Regional Commission for the purpose of developing recommended water management type designations for the White River basin. In developing its recommendations, the Two Rivers Ottauquechee Regional Commission shall consult with the agency of natural resources watershed coordinator for the White River basin and shall consider the most recent information for the watershed available from the agency of natural resources and other sources.

(2) \$12,500 shall be granted to the Windham Regional Commission for the purpose of developing recommended water management type designations for the West, Williams and Saxons River basin. In developing its recommendations, the Windham Regional Commission shall consult with the agency of natural resources watershed coordinator for the White River basin and shall consider the most recent information for the watershed available from the agency of natural resources and other sources.

Sec. E.700.1 REPORT AND RULEMAKING ON WATER

MANAGEMENT TYPING FOR THE WHITE RIVER BASIN
AND THE WEST, WILLIAMS, AND SAXONS RIVER BASIN

(a) On or before January 31, 2011, the Two Rivers Ottauquechee Regional Commission and the Windham Regional Commission shall submit to the agency of natural resources and the natural resources board the recommended water management type designations required under Sec. E.700(a)(1) and (2) of this act. Upon receipt of the recommended water management type designations required under this section, the agency of natural resources shall post the recommended water management type designations to its website and shall make the recommendations available to any person upon request.

(b) Within three months of receipt of the recommended water management type designations under this section, the natural resources board shall initiate rulemaking to amend the water management types in order to consider the recommended water management type designations for the White River basin and the West, Williams and Saxons River basin.

Sec. E.700.2 FARMERS' WATERSHED ALLIANCE

(a) The secretary of natural resources shall allocate and grant \$125,000 of the funds appropriated to the agency for the Clean and Clear program to the Franklin County watershed alliance. The secretary shall report to the joint fiscal committee by September 15, 2009 regarding how this grant was allocated within the agency Clean and Clear budget. It is the intent of the

general assembly that this funding, in coordination with \$75,000 of funding allocated through the agency of agriculture, food and markets, will provide a total grant of \$200,000 to the Franklin County watershed alliance for fiscal year 2010.

Sec. E.705 FUNDING GOALS FOR FISH & WILDLIFE

(a) It is the intent of the general assembly that the department of fish and wildlife be able to sustain services and seek the federal funds eligible to the state in the future through the generation of revenue and state funding.

(b) The department shall seek to access to the maximum amount the state may be eligible for of Pittman-Robertson, Dingell-Johnson, and other federal revenues. The department shall establish and administer a grant program for Vermont organizations and citizens to utilize the Pittman-Robertson funds for the public sport shooting ranges and the improvement or modification of existing sport shooting ranges. Sport shooting ranges are defined as per 10 V.S.A. § 5227.

Sec. E.707 FUNDING GOALS FOR FORESTS, PARKS AND

RECREATION

(a) It is the intent of the general assembly that the department of forests, parks and recreation be able to sustain services and seek the federal funds eligible to the state in the future through the generation of revenue and state funding.

Sec. E.717 Natural resources board (Sec. B.717, #6215000000)

(a) It is the intent of the general assembly that should the level of funding provided in Sec. B.717 of this act require reductions in personal service expenses in fiscal year 2010, any such reductions shall not reduce enforcement activities of the board. The administration is encouraged to review the need to maintain the board chair position at a full-time level.

* * * Commerce and Community Development * * *

Sec. E.800 COMMUNITY DEVELOPMENT PROGRAM; FUND

CONSOLIDATION PLAN; IMPLEMENTATION

(a) Consistent with the requirements of subchapter 1 of chapter 29 of Title 10, a committee chaired by the Vermont league of cities and towns and consisting of the executive directors of the Vermont housing finance agency, the Vermont economic development authority, and the secretary of the agency of commerce and community development or designee, the Vermont housing conservation board, the Vermont bankers association, municipalities, regional development corporations, and other appropriate entities shall develop a proposal for the best use of and administration of community development grants which have previously been awarded to municipalities and that are currently inactive from the community development block grant (CDBG) program authorized by Title I of the federal Housing and Community Development Act of 1974, as amended, 42 U.S.C. § 5301 et seq. The purpose of the proposal is to maximize the availability of CDBG funding for Vermont's

municipalities. The proposal shall include criteria and processes for standardizing the administration and oversight of CDBG funds, while preserving a municipality's ability to access funds.

(b) The committee will be staffed by the agency of commerce and community development. The committee shall report its findings to the general assembly on or before January 15, 2010.

Sec. E.801 Housing and community affairs (Sec. B.801, #7110010000)

(a) Of this appropriation, \$60,000 shall be granted to the First Stop Program.

Sec. E.804 Community development block grants (Sec. B.804, #7110030000)

(a) Community development block grants shall carry forward until expended.

(b) Community development block grant (CDBG) funds shall be expended in accordance with and in the order of the following priorities:

(1) The greatest priority for the use of CDBG funds will be the creation and retention of affordable housing and jobs.

(2) The overarching priority and fundamental objective in the use of funds for all affordable housing is to achieve perpetual affordability through the use of mechanisms that produce housing resources that will continue to remain affordable over time. It is the goal of the state to maintain at least 45 to 55 percent of CDBG funds for affordable housing applications.

(3) Among affordable housing applications, the highest priorities are to preserve and increase the supply of affordable family housing, to reduce and strive to eliminate childhood homelessness, and to serve families and individuals at or below 30 percent of HUD Area Median Income and people with special needs as described in the Consolidated Plan. Housing for seniors should be considered a priority when it meets clear unmet needs in the region for the lowest income seniors.

(4) Projects which address the ongoing deterioration of the existing housing stock through acquisition, preservation, and rehabilitation of units shall comply with housing quality standards with priority given to lead hazard reduction and energy efficiency.

(5) Preference shall be given to projects that maintain the historic settlement pattern of compact village and downtown centers separated by a rural working landscape. Funds generally should not be awarded to projects that promote or constitute sprawl, defined as dispersed development outside compact urban and village centers, along highways, and in rural countryside.

(c) No less than 50 percent of CDBG-generated loan repayments shall remain available to municipalities awarded community development block grant funds.

(d) The department of housing and community affairs may not restrict CDBG applications for housing to projects which have been previously awarded federal low income housing tax credits.

Sec. E.806 Economic development (Sec. 806, #7120010000)

(a) Of this appropriation, \$50,000 shall be used by the Commission on the Future of Economic Development (CFED) to continue the benchmarking process and to develop strategies to implement the four principal goals for economic development recommended to the legislature by CFED in fiscal year 2009.

(b) For fiscal year 2010, the chair of CFED shall convene and chair a working group consisting of the current CFED members and the commissioner of the department of economic development.

(c) The working group shall receive reasonable administrative, fiscal, and legal support from the joint fiscal office and the legislative council.

(d) Legislative members of the committee shall be entitled to per diem compensation and reimbursement of necessary expenses as provided in 2 V.S.A. § 406(a); other members shall be entitled to per diem compensation and reimbursement of necessary expenses as provided in 32 V.S.A. § 1010.

(e) The fiscal year 2010 working group shall:

(1) Collaborate with the state economists to finalize the statistical benchmarking system proposed in fiscal year 2009.

(2) Establish baseline values for each benchmark and subsequently perform an economic development analysis against the baseline values at a suitable interval.

(3) Review and report on the development of the specific goals and benchmarks required of state agencies and departments under 10 V.S.A. § 3(d).

(4) Develop a work plan for CFED for fiscal year 2011.

(f) The working group shall report its findings and recommendations to the senate committee on economic development, housing and general affairs, the house committee on commerce and economic development, and the governor not later than January 15, 2010.

Sec. E.813 10 V.S.A. § 311 is amended to read:

§ 311. CREATION OF THE VERMONT HOUSING AND
CONSERVATION BOARD

(a) There is created and established a body politic and corporate to be known as the “Vermont housing and conservation board” to carry out the provisions of this chapter. The board is constituted a public instrumentality exercising public and essential governmental functions, and the exercise by the board of the powers conferred by this chapter shall be deemed and held to be the performance of an essential governmental function of the state. The board is exempt from licensure under chapter 73 of Title 8.

(b) ~~The board shall consist of nine members, including ex officio the secretary of agriculture, food and markets, the secretary of commerce and community development, the secretary of natural resources and the executive director of the Vermont housing finance agency, or their designees, and five public members who shall be residents of the state and who shall in the opinion~~

~~of the governor be experienced in creating affordable housing or conserving and protecting Vermont's agricultural land, historic properties, important natural areas or recreational lands. At least one member shall be a representative of lower income Vermonters and one member shall be a farmer as defined in 32 V.S.A. § 3752(7). The public members shall be appointed by the governor with the advice and consent of the senate for three year terms beginning on February 1 of the year in which the appointment is made, except that the first members appointed by the governor to the board shall be appointed, one for a term of one year, two for a term of two years and two for a term of three years. Vacancies shall be filled in the same manner as the original appointment for the unexpired portion of the term vacated.~~

The board shall consist of the following 11 members:

- (1) The secretary of agriculture, food and markets or his or her designee.
- (2) The secretary of human services or his or her designee.
- (3) The secretary of natural resources or his or her designee.
- (4) The executive director of the Vermont housing finance agency or his or her designee.
- (5) Three public members appointed by the governor who shall be residents of the state and who shall be experienced in creating affordable housing or conserving and protecting Vermont's agricultural land, historic properties, important natural areas or recreational lands, one of whom shall be

a representative of lower income Vermonters and one of whom shall be a farmer as defined in subdivision 3752(7) of Title 32.

(6) One public member appointed by the speaker of the house, who shall not be a member of the general assembly at the time of appointment.

(7) One public member appointed by the senate committee on committees, who shall not be a member of the general assembly at the time of appointment.

(8) Two public members appointed jointly by the speaker of the house and the president pro tempore of the senate as follows:

(A) One member from the nonprofit affordable housing organizations that qualify as eligible applicants under subdivision 303(4) of this title who shall not be an employee or board member of any of those organizations at the time of appointment.

(B) One member from the nonprofit conservation organizations whose activities are eligible under subdivision 303(3) of this title who shall not be an employee or member of the board of any of those organizations at the time of appointment.

(c) The public members shall serve terms of three years beginning July 1 of the year of appointment. However, two of the public members first appointed by the governor shall serve initial terms of one year; and the public members first appointed by the speaker and committee on committees shall serve initial terms of two years. A vacancy occurring among the public members shall be

filled by the respective appointing authority for the balance of the unexpired term. A member may be reappointed.

~~(e)~~(d) Annually, the board shall elect from among its public members a chair and vicechair. The board may elect ~~such~~ officers as it may determine. Meetings shall be held at the call of the chair or at the request of three members. A majority of the sitting members shall constitute a quorum and action taken by the board under the provisions of this chapter may be authorized by a majority of the members present and voting at any regular or special meeting.

~~(d)~~(e) Members other than ex officio members shall be entitled to per diem authorized under 32 V.S.A. § 1010 for each day spent in the performance of their duties and each ~~such~~ member shall be reimbursed from the fund for his or her reasonable expenses incurred in carrying out his or her duties under this chapter.

~~(e)~~(f) The board shall employ an executive director to administer, manage and direct the affairs and business of the board, subject to the policies, control and direction of the members. The board may employ technical experts and ~~such~~ other officers, agents and employees as are necessary to effect the purposes of this chapter, and may fix their qualifications, duties and compensation. The board shall use the office of the attorney general for legal services.

Sec. E.813.1 10 V.S.A. § 321 is amended to read:

§ 321. GENERAL POWERS AND DUTIES

(a) The board shall have all the powers necessary and convenient to carry out and effectuate the purposes and provisions of this chapter, including without limitation those general powers provided to a business corporation by ~~section 1852 of Title 11~~ Title 11A and including, without limiting the generality of the foregoing, the power to:

(1) upon application from an eligible applicant in a form prescribed by the board, provide funding in the form of grants or loans for eligible activities;

(2) enter into cooperative agreements with private organizations or individuals or with any agency or instrumentality of the United States or of this state to carry out the purposes of this chapter;

(3) issue rules in accordance with 3 V.S.A. chapter 25 for the purpose of administering the provisions of this chapter;

(4) transfer funds to the department of housing and community affairs to carry out the purposes of this chapter.

(b) The board shall seek out and fund not-for-profit organizations and municipalities that can assist any region of the state which has high housing prices, high unemployment and low per capita incomes in obtaining grants and loans under this chapter for perpetually affordable housing. The board shall administer the “HOME” affordable housing program which was enacted under Title II of the Cranston-Gonzalez National Affordable Housing Act (Title II,

P.L. 101-625, 42 U.S.C. 12701-12839). The state of Vermont, as a participating jurisdiction designated by Department of Housing and Urban Development, shall enter into a written memorandum of understanding with the board, as subrecipient, authorizing the use of HOME funds for eligible activities in accordance with applicable federal law and regulations. HOME funds shall be used to implement and effectuate the policies and purposes of this chapter related to affordable housing. The memorandum of understanding shall include performance measures and outcomes that the board will annually report on to the Vermont department of housing and community affairs.

(c) On behalf of the state of Vermont, the board shall be the exclusive designated entity to seek and administer federal affordable housing funds available from the Department of Housing and Urban Development under the national Housing Trust Fund which was enacted under HR 3221, Title 1, Subtitle B, Section 1228 of the Federal Housing Finance Regulatory Reform Act of 2008 to increase perpetually affordable rental housing and home ownership for low and very low income families.

~~(e)~~(d) On behalf of the state of Vermont, the board shall seek and administer federal farmland protection funds to facilitate the acquisition of interests in land to protect and preserve in perpetuity important farmland for future agricultural use. Such funds shall be used to implement and effectuate the policies and purposes of this chapter.

~~(d)~~(e) The board shall inform all grant applicants and recipients of funds derived from the annual capital appropriations and state bonding act of the following: “The Vermont Housing and Conservation Trust Fund is funded by the taxpayers of the State of Vermont, at the direction of the General Assembly, through the annual Capital Appropriation and State Bonding Act.” An appropriate placard shall, if feasible, be displayed at the location of the proposed grant activity.

Sec. E.813.2 GRANT STATUS; JFO #2370

(a) In accordance with the legislature’s authority under 32 V.S.A. § 5, the U.S. Department of Housing and Urban Development (HUD) Neighborhood Stabilization Program (NSP) grant (JFO #2370), in the amount of \$19,600,000 is accepted pursuant to and subject to a memorandum of understanding (MOU) reached between the agency of commerce and community development (ACCD) and the Vermont housing and conservation board (VHCB) dated May 7, 2009, for the use of NSP funds by the Vermont housing and conservation board (VHCB) to grant subgrants to eligible projects. Further, the general assembly concludes that the MOU shall include the reservation of actual costs of \$3,000,000 to be solicited and awarded by VHCB, and conveyed by a grant agreement to VHCB. The MOU shall also include, but is not limited to provisions that will allow VHCB to be reimbursed for the actual costs of its administration up to \$400,000; a requirement that owners of projects funded with grant funds shall execute housing subsidy covenants to

ensure permanent affordability; a requirement that VHCB will act according to and ensure compliance with all applicable state and federal laws and regulations; and that ACCD will provide training and technical assistance to VHCB staff with regard to administration of the NSP grant. It is also understood that the total of the NSP funds awarded to the state of Vermont that are not allocated pursuant to the MOU shall be utilized consistent with the terms of the HUD approval of the NSP grant. The MOU between ACCD and VHCB shall be submitted to the house and senate committees on appropriations and the joint fiscal committee immediately upon its execution.

* * * Transportation * * *

Sec. E.900 19 V.S.A. § 11a is amended to read:

§ 11a. ~~TRANSPORTATION FUNDS APPROPRIATED FOR SUPPORT OF GOVERNMENT~~ THE DEPARTMENT OF PUBLIC SAFETY

(a) ~~The maximum amount of~~ No transportation funds ~~that may~~ shall be appropriated for the support of government; other than for the agency of transportation, the transportation board, transportation pay act funds, construction of transportation capital facilities used by the agency of transportation, ~~and transportation debt service shall not exceed \$32,852,807.00,~~ and the department of public safety. The amount of transportation funds appropriated to the department of public safety shall:

(1) in fiscal year 2010 not exceed \$30,850,000.00;

(2) in fiscal year 2011 not exceed \$28,350,000.00; and

(3) in fiscal year 2012 not exceed \$25,250,000.00.

Sec. E.910 Transportation – central garage (Sec. B.910, #8110000200)

(a) Of this appropriation, \$6,216,757 is appropriated from the transportation equipment replacement account within the central garage fund for the purchase of equipment as authorized in 19 V.S.A. § 13(b).

Sec. E.916 Transportation – town highway aid program (Sec. B.916, #810003000)

(a) This appropriation is authorized, notwithstanding 19 V.S.A. § 306(a).

* * * Miscellaneous * * *

Sec. E.1100 FISCAL YEAR 2010 NEXT GENERATION FUND

ALLOCATIONS (Sec. B.1100(a))

(a) The \$3,293,000 appropriated in Sec. B.1100(a)(1) of this act from the next generation initiative fund, created in 16 V.S.A. § 2887, shall be as follows:

(1) Workforce development: \$1,415,500 as follows:

(A) Workforce Education Training Fund (WETF). The sum of \$1,415,500 is appropriated to the Vermont workforce education and training fund, which is administered by the department of labor, for workforce development. Up to seven percent of the funds may be used for administration of the program.

(B) Adult Technical Education Programs. The amount of \$410,500 is appropriated to the department of labor, working with the workforce

development council. This appropriation is for the purpose of awarding grants to regional technical centers and comprehensive high schools to provide adult technical education, as that term is defined in 16 V.S.A. § 1522, to unemployed and underemployed Vermont adults.

(C) UVM Technology Transfer Program. The amount of \$118,750 is appropriated to the University of Vermont. This appropriation is for patent development and commercialization of technology created at the university for the purpose of creating employment opportunities for Vermont residents.

(D) Vermont center for emerging technologies. The amount of \$118,750 is appropriated to the agency of commerce and community development for a grant to the Vermont center for emerging technologies to enhance development of high technology businesses and next generation employment opportunities throughout Vermont.

(2) Loan repayment: The sum of \$300,000 is appropriated to the agency of human services Global Commitment for the department of health to use for health care loan repayment. The department shall use these funds for a grant to the area health education centers (AHEC) for repayment of commercial or governmental loans for postsecondary health-care-related education or training owed by persons living and working in Vermont in the health care field.

(3) Scholarships and grants: \$929,500 as follows:

(A) Nondegree VSAC Grants. The amount of \$494,500 is appropriated to the Vermont student assistance corporation. This appropriation

shall be for the purpose of providing nondegree grants to Vermonters to improve job skills and increase overall employability, enabling them to enroll in a postsecondary education or training program, including adult-technical education that is not part of a degree or accredited certificate program. A portion of this appropriation shall be used for grants for indirect educational expenses to students enrolled in training programs. The grants shall not exceed \$3,000 per student. None of this appropriation shall be used for administrative overhead.

(B) The sum of \$150,000 is appropriated to the Vermont student assistance corporation to fund the national guard educational assistance program established in 16 V.S.A. § 2856.

(C) Dual Enrollment Programs. The sum of \$285,000 is appropriated to the Vermont state colleges for dual enrollment programs. The state colleges shall develop a voucher program that will allow Vermont students to attend programs at a postsecondary institution other than the state college system when programs at the other institution are better academically or geographically suited to student need.

Sec. E.1103. COST REDUCTION AUTHORIZATION

(a) Due to the current and continuing fiscal stress that will impact the Vermont state budget, the secretary of administration is authorized to develop a plan for submission to the legislative joint fiscal committee to make \$14,700,000 in general fund expenditure reductions and proportionate

reductions in other funding sources through revisions to payroll and personnel services related expenditures as indicated below.

(b) First, the secretary of administration shall reduce budgeted contract expenditures for fiscal year 2010 by \$1,300,000 in general funds. In the event that such expenditure reductions are not identified by October 31, 2009, the secretary of administration shall submit a plan of recommendation to achieve this general fund savings target by alternate reductions in budgeted funds to the joint fiscal committee in November 2009.

(c) Second, the general assembly strongly urges the Vermont state employees' association and the secretary of administration to negotiate contract changes and other personnel adjustments to achieve expenditure reductions of \$13,400,000 general funds and proportionate reductions in other funding sources to avoid job cuts. In negotiating contract revisions, the general assembly recommends the parties consider the following principles in achieving a contract modification to produce the savings:

(1) Any such changes or reductions shall include proportional impacts on exempt employees, classified confidential, and other employee classifications; and

(2) Changes should reflect the ability to pay with larger expected savings from higher paid employees.

(d) Third, in the event that the expenditure reductions are not achieved through subsection (c) of this section, the secretary of administration shall

develop an alternate savings plan for submission to the legislative joint fiscal committee on or before June 10, 2009. In developing a plan, the secretary shall operate within the following parameters:

(1) Any such plan shall include proportional impacts on exempt employees, classified confidential, and other employee classifications;

(2) Impacts on service delivery, public health, safety, and cost transfers to other levels of government shall be minimized; and

(3) Departments shall have the option, to the extent allowable by contract, to avoid position elimination through reductions of working hours.

(e) No reductions in force shall take place or be effective unless and until they are part of a plan submitted to and approved by the legislative joint fiscal committee. The secretary may include alternatives to position reductions and shall not be limited to positions already submitted to the legislature in list development.

(f) The legislative joint fiscal committee shall treat any plan submitted for approval under the procedures outlined under 32 V.S.A. § 704.

(g) The recommendations in subsections (c) and (d) of this section shall apply to all state employees in all branches of government. Agency or department heads may adjust the salaries or furloughs of exempt employees who have already taken furloughs or salary reductions in excess of the impacts of the plan above to make them consistent with the proposals under subsections (c) and (d) of this section.

(h) The secretary of administration shall not plan to close or significantly reduce operations at any correctional facility unless approval to proceed with such closing or reduction plans is granted by both the joint committee on corrections oversight and the joint fiscal committee. Any plan submitted to the committees shall include an analysis of the regional impact, including how the increased transportation costs will be funded.

Sec. G.100 EFFECTIVE DATES

(a) This section and Secs. C.100, C.101, C.102, C.103, C.104, C.105, D.103, D.105, D.106, D.108, D.109, D.110, E.102.1, E.129, E.135.2, E.135.3, E.204(b), E.207(c), E.209(c), E.307.1, E.322.2, E.330(c), and E.813.2 shall take effect on passage.

(b) Sec. E.318.1 (33 V.S.A. § 3512(b)) shall take effect upon approval by the joint fiscal committee of the proposal provided for in Sec. E.318 of this act. If the proposal is not approved, 33 V.S.A. § 3512(b), as amended by Sec. E.318.1 of this act, shall revert to the language it contained before the passage of this act.

(c) Sec. E.813.2 shall take effect upon passage by the house and senate.

* * * Proposed Miscellaneous Tax Amendments * * *

Sec. H.1. INCREASING THE NUMBER OF COMPLIANCE PERSONNEL
IN THE DEPARTMENT OF TAXES

(a) Of the funds appropriated to the department of taxes in this act, \$535,000 is for the purpose of hiring nine full-time limited service employees

to augment the department's compliance division. The department shall use the funds so appropriated to hire four tax field examiners, two desk audit examiners, one collector, one desk audit supervisor, and either one attorney or a second collector.

(b) It is the intent of the general assembly that the funding of an additional \$935,000 be provided to the tax department in fiscal year 2011 for the purpose of retaining the nine full-time limited service employees hired pursuant to subsection (a) of this section and hiring six additional full-time limited service employees to further augment the department's compliance division. The department shall use the additional funds so appropriated to hire four tax field examiners and two desk audit examiners.

(c) It is the intent of the legislature to further augment the department's compliance efforts in fiscal year 2012 by appropriating additional funds for fiscal year 2012 for the purpose of retaining the 15 full-time limited service employees hired pursuant to subsections (a) and (b) of this section and hiring five additional limited service employees.

(d) The positions created pursuant to subsections (a) and (b) of this section shall not be new state employee positions but instead shall be transferred and converted from the vacant position pool as and only when such positions in the vacant position pool become available.

(e) Notwithstanding any other provision of law, the positions created by this section shall be created as limited service positions and shall not be funded for a period in excess of three years.

Sec. H.2. ADDING COMPLIANCE PERSONNEL TO THE DEPARTMENT
OF LABOR

(a) Of the funds appropriated to the department of labor in this act, \$308,212 shall be for the purpose of hiring four full-time limited service employees as workers' compensation fraud staff who will investigate the classification of workers as either contractors or employees and enforce compliance of the proper classification by businesses.

(b) The positions created pursuant to subsection (a) of this section shall not be new state employee positions but instead shall be transferred and converted from the vacant position pool as and only when such positions in the vacant position pool become available.

(c) Notwithstanding any other provision of law, the positions created by this section shall be created as limited service positions and shall not be funded for a period in excess of three years.

* * * Tax Amnesty * * *

Sec. H.3. TAX AMNESTY

(a) Notwithstanding any law to the contrary, the commissioner of taxes shall establish a tax amnesty program during which all penalties that could be assessed by the commissioner may be waived without the need for any

showing by the taxpayer of reasonable cause or the absence of willful neglect if the taxpayer, prior to the expiration of the amnesty period, files proper returns for any tax types and any period for which the taxpayer has or had a filing obligation and pays the full amount of tax shown on such return together with all interest due thereon. The amnesty program shall be established for a period of six consecutive weeks to be determined by the commissioner, to expire not later than October 2, 2009.

(b) The amnesty program shall apply to a tax liability of any tax type for any periods for which the due date of the return was before January 26, 2009 but shall not apply to those penalties which the commissioner would not have the sole authority to waive, including fuel taxes administered under the International Fuel Tax Agreement or under the local option portions of taxes.

(c)(1) The commissioner shall maintain records of the amnesty provided under this section, including:

(A) the number of taxpayers provided with amnesty;

(B) the types of tax liability for which amnesty was provided and, for each type of liability:

(i) the amount of tax liability collected by the commissioner; and

(ii) the amount of penalties forgone by virtue of the amnesty; and

(iii) the total outstanding tax liability due to the state, for the period through June 30, 2009, after the collection of all funds under this section.

(2) The commissioner shall file a report detailing the information required by subdivision (1) of this subsection with the clerk of the house of representatives and the secretary of the senate, the joint fiscal committee, the house committee on ways and means, and the senate committee on finance not later than December 15, 2009; provided, however, that the report shall not contain information sufficient to identify an individual taxpayer or the amnesty an individual taxpayer was provided under this section.

Sec. H.4. FUNDING FOR TAX AMNESTY

(a) Of the funds appropriated to the tax department in this act, \$132,000 is for the purpose of marketing the tax amnesty program provided for in Sec. H.3 of this act. In order to help stimulate the local economy, the legislature asks in determining what resources or marketing firms to use, the department give priority to Vermont-based firms.

* * * Sale of State-Owned Personal Property * * *

Sec. H.5. SALE OF STATE-OWNED SURPLUS PERSONAL PROPERTY

In order to raise capital and to free space in buildings owned or leased by the state, the commissioner of buildings and general services is authorized and directed to conduct a “spring cleaning” to identify and sell surplus personal property of the state. Each department and agency of the state shall, in accordance with section 1556 of Title 29, transfer all surplus personal property to the commissioner, who is authorized to sell such surplus personal property pursuant to subdivision 1556(6). Notwithstanding section 1557 of Title 29, the

proceeds of such sale, net of the commissioner's administrative costs, shall be deposited into the general fund.

* * * Department of Revenue * * *

Sec. H.6. DEPARTMENT OF TAXES; DEPARTMENT OF REVENUE;

TRANSITION

(a) In accordance with the report of the commissioner of taxes dated January 22, 2007, the department of taxes shall be converted into a department of revenue no later than June 30, 2012.

(b) To accomplish the requirement set out in subsection (a) of this section, there is hereby established a revenue transition committee to review and approve the commissioner's plan to transition the department of taxes to a department of revenue, which shall be responsible for collecting taxes, fees, levies, and other assessments as determined pursuant to subsection (c) of this section. The revenue transition committee shall be composed of the following seven members:

(1) The commissioner of finance and management or designee;

(2) The state treasurer or designee;

(3) A member of the house committee on ways and means, appointed by the speaker of the house;

(4) A member of the house committee on government operations, appointed by the speaker of the house;

(5) A member of the senate committee on finance, appointed by the committee on committees;

(6) A member of the senate committee on government operations, appointed by the committee on committees;

(7) The court administrator or designee.

(c) The commissioner shall review each state revenue source and determine whether the management of such revenue source should:

(1) remain substantially as is;

(2) be transferred to the treasurer's lockbox services contract;

(3) be transferred to the department of taxes, which shall ultimately be redesignated the department of revenue; or

(4) be transferred to another entity.

(d) The revenue transition committee shall meet as needed to review and approve the commissioner's implementation plan for the transition to a revenue department. The commissioner shall report to the revenue transition committee the findings and recommendations required pursuant to subsection (c) of this section, and the commissioner will implement any changes upon the approval of the revenue transition committee.

(e) No later than February 15 of each of the three years following the effective date of this act, the committee shall issue a report to the general assembly on its findings and containing specific recommendations concerning

the implementation of the transition, efficiencies, technology, staffing issues, and recommendations with respect to subsection (c) of this section.

(f) The legislative members shall be entitled to per diem compensation and reimbursement of necessary expenses as provided to members of standing committees under 2 V.S.A. § 406 for attendance at a meeting when the general assembly is not in session.

Sec. H.7. STATUTORY REVISION

After June 30, 2012, the legislative council is directed to revise the Vermont Statutes Annotated to reflect the redesignation of the department of taxes as the department of revenue. When applicable, the term “commissioner of taxes” shall be replaced by the term “commissioner of revenue”; and when applicable, the term “department of taxes” shall be replaced by the term “department of revenue.”

* * * Education Property Tax Rates * * *

Sec. H.8. FISCAL YEAR 2010 EDUCATION PROPERTY TAX RATE
REDUCTION

(a) For fiscal year 2010 only, the education property tax imposed under subsection 5402(a) of Title 32 shall be reduced from the rate of \$1.59 and \$1.10 and shall instead be at the following rates:

(1) the tax rate for nonresidential property shall be \$1.35 per \$100.00;
and

(2) the tax rate for homestead property shall be \$0.86 multiplied by the district spending adjustment for the municipality, per \$100.00 of equalized property value as most recently determined under section 5405 of Title 32.

(b) For claims filed in 2010 only, “applicable percentage” in subdivision 6066(a)(2) of Title 32 shall be reduced from 2.0 percent and instead shall be 1.80 percent multiplied by the fiscal year 2010 district spending adjustment for the municipality in which the homestead residence is located; but in no event shall the applicable percentage be less than 1.80 percent.

* * * Fiscal Year 2010 Education Base Payment Amount * * *

Sec. H.9. FISCAL YEAR 2010 EDUCATION BASE PAYMENT AMOUNT

Notwithstanding subsection 4011(b) of Title 16 or any other provision of law, the base education payment for fiscal year 2010 only shall be \$8,485.00.

* * * Electronic Filing of Property Transfer Tax * * *

Sec. H.10. DEVELOPMENT OF ELECTRONIC SYSTEM FOR FILING
AND PAYING PROPERTY TRANSFER TAXES

No later than August 1, 2009, the department of taxes shall file with the joint fiscal committee an implementation plan for the electronic filing of property transfer tax returns and the electronic payment of property transfer taxes.

* * * VHFA: Moral Obligation for Pledged Equity Funds * * *

Sec. H.11. FINDINGS AND INTENT

Moral obligation of the state is used by municipal bond insurers, such as the Vermont Housing and Finance Agency (VHFA), as a discretionary capitalization obligation. By expanding VHFA's ability to pledge the state's existing commitment of moral obligation without increasing the amount of the state's existing potential obligation, the general assembly can provide VHFA with another tool to increase confidence and attract new financial partners so that the agency can continue its housing programs for low and moderate income Vermonters, even in these challenging economic times.

Sec. H.12. 10 V.S.A. § 631(f) is amended to read:

(f) The agency, subject to such agreements with noteholders or bondholders as may then exist, shall have power out of any funds available therefor to purchase notes or bonds of the agency, ~~which shall thereupon be cancelled, at a price not exceeding:~~

~~(1) if the notes or bonds are then redeemable, the redemption price then applicable plus accrued interest to the next interest payment thereon, or~~

~~(2) if the notes or bonds are not then redeemable, the redemption price applicable on the first date after such purchase upon which the notes or bonds become subject to redemption plus accrued interest to such date.~~

as shall be determined in the economic best interests of the agency.

Sec. H.13. REPEAL

10 V.S.A. § 632 (authorizing the Vermont housing and finance agency to establish reserve funds) is repealed.

Sec. H.14. 10 V.S.A. § 632a is added to read:

§ 632a. RESERVE AND PLEDGED EQUITY FUNDS

(a) The agency may create and establish one or more special funds, herein referred to as “debt service reserve funds” or “pledged equity funds.”

(b) The agency shall pay into each debt service reserve fund:

(1) Any moneys appropriated and made available by the state for the purpose of such fund.

(2) Any proceeds of the sale of notes, bonds, or other debt instruments to the extent provided in the resolution or resolutions of the agency authorizing their issuance.

(3) Any other moneys or financial instruments such as surety bonds, letters of credit, or similar obligations which may be made available to the agency for the purpose of such fund from any other source or sources. All moneys or financial instruments held in any debt service reserve fund created and established under this section except as hereinafter provided shall be used, as required, solely for the payment of the principal of the bonds, notes, or other debt instruments secured in whole or in part by such fund or of the payments with respect to the bonds, notes, or other debt instruments specified in any resolution of the agency as a sinking fund payment, the purchase or redemption

of the bonds, the payment of interest on the bonds, notes, or other debt instruments, or the payment of any redemption premium required to be paid when the bonds, notes, or other debt instruments are redeemed prior to maturity, or to reimburse the issuer of a liquidity or credit facility, bond insurance, or other credit enhancement for the payment by such party of any of the foregoing amounts on the agency's behalf; provided, however, that the moneys or financial instruments in any such debt reserve fund shall not be drawn upon or withdrawn therefrom at any time in such amounts as would reduce the amount of such funds to less than the debt service reserve requirement established by resolution of the agency for such fund as provided in this section except for the purpose of paying, when due, with respect to bonds secured in whole or in part by such fund, the principal, interest, redemption premiums, and sinking fund payments and of reimbursing, when due, the issuer of any credit enhancement for any such payments made by it, for the payment of which other moneys of the agency are not available. Any income or interest earned by or increment to any debt service reserve fund due to the investment thereof may be transferred by the agency to other funds or accounts of the agency to the extent it does not reduce the amount of such debt service reserve fund below the debt service reserve requirement for such fund.

(c) The agency shall pay into each pledged equity fund:

(1) Any moneys appropriated and made available by the state for the purpose of such fund.

(2) Any proceeds of the sale of notes, bonds, or other debt instruments to the extent provided in the resolution or resolutions of the agency authorizing the issuance thereof.

(3) Any other moneys or financial instruments such as surety bonds, letters of credit, or similar obligations which may be made available to the agency for the purpose of such fund from any other source or sources. All moneys or financial instruments held in any pledged equity fund created and established under this section except as provided in this section shall be used, as required, solely to provide pledged equity or over-collateralization of any trust estate of the agency to the issuer of a liquidity or credit facility, bond insurance, or other credit enhancement obtained by the agency; provided, however, that the moneys or financial instruments in any pledged such equity fund shall not be drawn upon or withdrawn from such fund at any time in such amounts as would reduce the amount of such funds to less than the pledged equity requirement established by resolution of the agency for such fund as provided in this section except for the purposes set forth in and in accordance with the governing resolution. Any income or interest earned by or increment to any pledged equity fund due to the investment thereof may be transferred by the agency to other funds or accounts of the agency to the extent it does not reduce the amount of such pledged equity fund below the requirement for such fund. Anything in this subdivision to the contrary notwithstanding, upon the defeasance of the bonds, notes, or other debt instruments with respect to which

the pledged equity requirement was established, the agency may transfer amounts in such fund to another fund or account of the agency proportionately to the amount of such defeasance; provided that the agency shall repay to the state any amount appropriated by the state pursuant to subsection (f) of this section.

(d) The debt service reserve and pledged equity requirements for any fund established under this section shall be established by resolution of the agency prior to the issuance of any bonds, notes, or other debt instruments secured in whole or in part by a debt service reserve fund or prior to entering into any credit enhancement agreement and shall be the amount determined by the agency to be reasonably required in light of the facts and circumstances of the particular debt issue or credit enhancement; provided that the maximum amount of the state's commitment with respect to any pledged equity fund shall be determined by the agency at or prior to entering into any credit enhancement agreement related to such pledged equity fund. The agency shall not at any time issue bonds, notes, or other debt instruments secured in whole or in part by a debt service reserve fund or enter into any credit enhancement agreement that requires establishment of a pledged equity fund created and established under this section unless:

(1) the agency at the time of such issuance or execution shall deposit in such fund from the proceeds of such bonds, notes, or other debt instruments or from other sources an amount which, together with the amount then in such

fund, will not be less than the requirement established for such fund at that time;

(2) the agency has made a determination at the time of the authorization of the issuance of such bonds, notes, or other debt instruments or at the time of entering into such credit enhancement agreement that the agency will derive revenues or other income from the mortgage loans that secure such bonds, notes, or other debt instruments or that relate to any credit enhancement agreement sufficient to provide, together with all other available revenues and income of the agency other than any amounts appropriated by the state pursuant to this section for the payment or purchase of such bonds, notes, and other debt instruments and reimbursement to the issuer of any credit enhancement the payment of any expected deposits into any pledged equity fund established with respect to such credit enhancement, and the payment of all costs and expenses incurred by the agency with respect to the program or purpose for which such bonds, notes, or other debt instruments are issued; and

(3) the state treasurer or his or her designee has provided written approval to the agency that the agency may issue such bonds, notes, or other debt instruments and enter into any related credit enhancement agreement.

(e) In computing the amount of the debt service reserve or pledged equity funds for the purpose of this section, securities in which all or a portion of such funds shall be invested shall be valued at par if purchased at par or at

amortized value, as that term is defined by resolution of the agency, if purchased at other than par.

(f) In order to assure the maintenance of the debt service reserve fund requirement in each debt service reserve fund established by the agency under this section, there may be appropriated annually and paid to the agency for deposit in each fund a sum as shall be certified by the chair of the agency to the governor, the president of the senate, and the speaker of the house as is necessary to establish or restore each such debt service reserve fund to an amount equal to the requirement for each such fund. The chair shall annually, on or about February 1, make, execute, and deliver to the governor, the president of the senate, and the speaker of the house a certificate stating the sum required to restore each such fund to the amount required by this section, and the sum so certified may be appropriated and, if appropriated, shall be paid to the agency during the then-current state fiscal year. In order to assure the funding of the pledged equity fund requirement in each pledged equity fund established by the agency under this section at the time and in the amount determined at the time of entering into any credit enhancement agreement related to a pledged equity fund, there may be appropriated and paid to the agency for deposit in each fund a sum as shall be certified by the chair of the agency to the governor, the president of the senate, and the speaker of the house as is necessary to establish each pledged equity fund to an amount equal to the amount determined by the agency at the time of entering into any credit

enhancement agreement related to a pledged equity fund; provided that the amount requested, together with any amounts previously appropriated pursuant to this subsection for a particular pledged equity fund, shall not exceed the maximum amount of the state's commitment as determined by the agency pursuant to subsection (d) of this section. The chair shall, on or about the February 1 next following the designated date for fully funding a pledged equity fund, make, execute, and deliver to the governor, the president of the senate, and the speaker of the house a certificate stating the sum required to bring each fund to the amount required by this section or to otherwise satisfy the state's commitment with respect to each fund, and the sum so certified may be appropriated and, if appropriated, shall be paid to the agency during the then-current state fiscal year. The combined principal amount of bonds, notes, and other debt instruments outstanding at any time and secured in whole or in part by a debt service reserve fund established under this section and the aggregate commitment of the state to fund pledged equity funds pursuant to this subsection shall not exceed \$155,000,000.00 at any time, provided that the foregoing shall not impair the obligation of any contract or contracts entered into by the agency in contravention of the Constitution of the United States. Notwithstanding anything in this section to the contrary, the state's obligation with respect to funding any pledged equity fund shall be limited to its maximum commitment, as determined by the agency pursuant to subsection

(d) of this section, and the state shall have no other obligation to replenish or maintain any pledged equity fund.

Sec. H.15. SAVINGS CLAUSE

Nothing in Sec. H.14 of this act shall be construed to impair the obligation of any preexisting contract or contracts entered into by the agency or by the state.

* * * Tax Expenditure Reporting Requirement * * *

Sec. H.16. 32 V.S.A. § 306 is amended to read:

§ 306. BUDGET REPORT

(a) The governor shall submit to the general assembly, not later than the third Tuesday of every annual session, a budget which shall embody his or her estimates, requests and recommendations for appropriations or other authorizations for expenditures from the state treasury. In the first year of the biennium, the budget shall relate to the two succeeding fiscal years. In the second year of the biennium, it shall relate to the succeeding fiscal year.

(b) The governor shall also submit to the general assembly, not later than the third Tuesday of each session of every biennium, a tax expenditure budget which shall embody his or her estimates, requests, and recommendations. The tax expenditure budget shall be provided to the house committee on ways and means and the senate committee on finance, which committees shall review the tax expenditure budget and shall report their recommendations in bill form.

Sec. H.17. 32 V.S.A. § 307 is amended to read:

§ 307. FORM OF BUDGET

(a) The budget shall be arranged and classified so as to show separately the following estimates and recommendations:

(1) Expenses of state administration.

(2) Deficiencies, overdrafts, and unexpended balances in appropriations of former years.

(3) Bonded debt, loans and interest charges.

(4) All requests and proposals for expenditures for new projects, new construction, additions, improvements, and other capital outlay.

(5) With respect to the tax expenditure budget required under subsection 306(b) of this chapter, all requests and proposals for new, amended, or continued tax expenditures as defined in section 312 of this chapter.

* * *

* * * Vermont State-Sponsored Affinity Card Program * * *

Sec. H.18. 32 V.S.A. § 584 is added to read:

§ 584. VERMONT STATE-SPONSORED AFFINITY CARD PROGRAM

(a) The state treasurer is hereby authorized to sponsor and participate in an affinity card program for the benefit of the residents of this state upon his or her determination that such a program is feasible and may be procured at rates and terms in the best interest of the cardholders. In selecting an affinity card issuer, the treasurer shall consider the issuer's record of investments in the

state and shall take into consideration program features which will enhance the promotion of the state-sponsored affinity card, including consumer-friendly terms, favorable interest rates, annual fees, and other fees for using the card.

(b) The treasurer shall consult with other state agencies about potential public purpose projects to be designated for the program and shall allow cardholders to designate that funds be used either to support sustainable agricultural programs, renewable energy programs, state parks and forestland programs, or any combination of these. The net proceeds of the state fees or royalties generated by this program shall be transmitted to the state and shall be deposited in a state-sponsored affinity card fund and subsequently transferred to the designated state programs and purposes as selected by the cardholders. The funds received shall be held by the treasurer until transferred for the purposes directed by participating state-sponsored affinity cardholders in accordance with the trust fund provisions of section 462 of this title.

(c) All program balances at the end of the fiscal year shall be carried forward and shall not revert to the general fund. Interest earned shall remain in the program. The treasurer's annual financial report to the governor and the general assembly shall contain an accounting of receipts, disbursements, and earnings of the state-sponsored affinity card program.

(d) The state shall not assume any liability for lost or stolen credit cards nor any other legal debt owed to the financial institutions.

(e) The state treasurer is authorized to adopt such rules as may be necessary to implement the Vermont state-sponsored affinity card program.

* * * Government Licenses and Employment * * *

Sec. H.19. 32 V.S.A. § 3113 is amended to read:

§ 3113. REQUIREMENT FOR OBTAINING LICENSE ~~OR,~~

GOVERNMENTAL CONTRACT, OR EMPLOYMENT

* * *

(c) Every agency shall, upon request of the commissioner, furnish a list of licenses and contracts issued or renewed by such agency during the reporting period; provided, however, that the secretary of state shall, with respect to certificates of authority to transact business issued to foreign corporations, furnish to the commissioner only those certificates originally issued by the secretary of state during the reporting period and not renewals of such certificates. The lists ~~should~~ shall include the name, address, ~~social security~~ Social Security or federal identification number of such licensee or provider, and such other information as the commissioner may require.

* * *

(i) No agency of the state shall hire any person as a full-time, part-time, temporary, or contractual employee unless the person shall first sign a written declaration under the pains and penalties of perjury that the person is in good standing with respect to or in full compliance with a plan to pay any and all taxes due as of the date such declaration is made. This requirement applies

only to the initial hire of an individual into a position that is paid using the state of Vermont federal taxpayer identification number, other than as a county employee, and not to an employee serving in such position or who returns to any position in state government as a result of a placement right or reduction in force recall right.

* * * Unclaimed Property * * *

Sec. H.20. 32 V.S.A. § 3113a is added to read:

§ 3113a. ABANDONED PROPERTY; SATISFACTION OF TAX

LIABILITIES

The commissioner may request from the office of the treasurer the names and Social Security or federal identification numbers of owners of unclaimed property prior to notice being given to such persons pursuant to section 1249 of Title 27. If any such owner owes taxes to the state, the commissioner, after notice to the owner, may request and the treasurer shall transfer the abandoned property of such owner to the department for setoff of the taxes owed. The notice shall advise the owner of the action being taken and the right to appeal the setoff if the tax debt is not the owner's debt; or if the debt has been paid; or if the tax debt was appealed within 60 days from the date of the assessment and the appeal has not been finally determined; or if the debt was discharged in bankruptcy.

* * * Mapping Program * * *

Sec. H.21. 32 V.S.A. § 3409 is amended to read:

§ 3409. PREPARATION OF PROPERTY MAPS

Consistent with available resources and pursuant to a memorandum of understanding entered into between the commissioner and the Vermont center for geographic information, the ~~director shall prepare~~ center shall provide regional planning commissions, state agencies, and the general public with orthophotographic maps of the state at a scale appropriate for the production and revision of town property maps. Periodically, such maps shall be revised and updated to reflect land use changes, new settlement patterns and such additional information as may have become available to the director or the center.

(1) The ~~director~~ center shall supply to the clerk and to the listers or assessors of each town such maps as have been prepared by ~~the director~~ it of the total area of that town. Any map shall be available, without charge, for public inspection ~~both in the office of the Vermont mapping program and in the office of the town clerk to whom the map was supplied.~~

(2) The ~~director may~~ state of Vermont shall retain the copyright of any map prepared under this section by the Vermont mapping program, and the center and the Vermont mapping program shall jointly own the copyright to any map prepared on or after the effective date of this act.

(3) A person, who, without the written authorization of the director and the center, copies, reprints, duplicates, sells, or attempts to sell any map prepared under this chapter shall be fined an amount not to exceed \$1,000.00.

(4) At a reasonable charge to be established by the center and the director, the ~~director~~ center shall supply to any person or agency other than a town clerk or lister a copy of any map prepared under this section.

* * * Unorganized Towns and Gores and Unified Towns and Gores * * *

Sec. H.22. 32 V.S.A. § 4408 is amended to read:

§ 4408. HEARING BY BOARD

(a) On the date so fixed by the town clerk and from day to day thereafter, the board of civil authority shall hear such appellants as appear in person or by agents or attorneys, until all such objections have been heard and considered. All objections filed in writing with the board of civil authority at or prior to the time fixed for hearing appeals shall be determined by the board notwithstanding that the person filing the objections fails to appear in person, or by agent or attorney.

(b) Ad hoc board for unorganized towns and gores and unified towns and gores. For purposes of hearing appeals under this subchapter only, the supervisor shall create an ad hoc board composed of:

(1) the supervisor; and

(2) one member from each adjoining municipality's board of civil authority, to be appointed by each respective board of civil authority,

representing no fewer than three and no more than five of the adjoining municipalities, at the discretion of the supervisor.

(c) The ad hoc board provided for in subsection (b) of this section shall, for purposes of hearing appeals under this subchapter only, act as a board of civil authority, and an aggrieved party shall have further appeal rights as though the party had appealed to a board of civil authority.

* * * Education Property Tax Information Insert * * *

Sec. H.23. 32 V.S.A. § 5402(b)(1) is amended to read:

(1) The commissioner of taxes shall determine for each municipality the education tax rates under subsection (a) of this section, divided by the municipality's most recent common level of appraisal. The legislative body in each municipality shall then bill each property taxpayer at the homestead or nonresidential rate determined by the commissioner under this subdivision, multiplied by the education property tax grand list value of the property, properly classified as homestead or nonresidential property and without regard to any other tax classification of the property. Tax bills shall show the tax due and the calculation of the rate determined under subsection (a) of this section, divided by the municipality's most recent common level of appraisal, multiplied by the current grand list value of the property to be taxed. ~~Each homestead property tax bill shall include a copy of the document entitled "About Your 20XX Taxes 'The more you spend the more you pay'," updated annually for each town by the commissioner of taxes.~~

* * * Unsigned Declaration of Homestead * * *

Sec. H.24. 32 V.S.A. § 5410(c) is added to read:

(c) In the event that an unsigned but otherwise completed homestead declaration is filed with the declarant's signed state income tax return, the commissioner may treat such declaration as signed by the declarant.

* * * Unrelated Business Income of Nonprofit Corporations * * *

Sec. H.25. 32 V.S.A. § 5811(3) and (18) are amended to read:

(3) "Corporation" means any business entity subject to income taxation as a corporation, and any entity qualified as a small business corporation, under the laws of the United States, with the exception of the following entities which are exempt from taxation under this chapter:

(A) Railroad and insurance, ~~surety and guaranty~~ companies, ~~mutual or otherwise~~ that are taxed under chapter 211 of this title;

(B) ~~Life, fire and marine insurance companies and mutual life, fire and marine insurance companies;~~

~~(C) Farmers' or other mutual hail, cyclone, fire or life insurance companies, mutual water, mutual or cooperative telephone companies or similar organizations of a purely local character, the income of which companies consists solely of assessments, dues and fees collected from the members for the sole purpose of meeting the expenses of the company;~~

~~(D) Farmers', fruit growers', or like associations organized and operated on a cooperative basis;~~

~~(i) for the purpose of processing, preparing for market, handling or marketing the farm products of members or other producers and turning back to them the proceeds of sales, less the necessary marketing, handling and processing expenses, on the basis of either quantity or the value of the products furnished by them;~~

~~(ii) for the purpose of purchasing supplies and equipment for the use of the members and other persons, and turning over such supplies and equipment to them at actual cost, plus necessary expenses; or~~

~~(iii) for the purpose of processing, preparing for market, or marketing handcraft products as defined in section 991 of Title 11 of members or other producers and turning back to them the proceeds of sales, less the necessary marketing, handling and processing expenses;~~

~~(E)~~ Credit unions organized under chapter 71 of Title 8 and federal credit unions;

~~(F)~~(C) Nonprofit hospital service corporations organized under chapter 123 of Title 8;

~~(G)~~(D) Nonprofit medical service corporations organized under chapter 125 of Title 8;

~~(H)~~ Free public library corporations organized under chapter 3 of Title 22;

~~(I) Cemetery corporations and associations, labor, agricultural or horticultural organizations, fraternal beneficiary societies, no part of the net earnings of which inures to any member or stockholder;~~

~~(J) Sanitary corporations and corporations organized for religious, charitable, scientific or educational purposes, no part of the net earnings of which inures to the benefit of any private stockholder or individual member;~~

~~(K) Business organizations, chambers of commerce or boards of trade and area development organizations not organized for profit, no part of the net earnings of which inures to the benefit of any private stockholder or individual member;~~

~~(L) Civic leagues or organizations not organized for profit but operated exclusively for the promotion of social welfare;~~

~~(M) Clubs organized and operated exclusively for pleasure and recreation and other nonprofitable purposes, no part of the net earnings of which inures to the benefit of any private stockholder or individual member; or~~

~~(N) Any political organization which is exempt from or does not owe any federal income taxes as provided in the federal internal revenue code.~~

* * *

(18) “Vermont net income” means, for any taxable year and for any corporate taxpayer:

* * *

(D) For a corporation with federal exempt status, “Vermont net income” means all income that is subject to federal income tax, including unrelated business income under Section 511 of the Internal Revenue Code and any income arising from debt-financed property subject to taxation under Section 514 of the Internal Revenue Code.

* * * Annual Update of Links to Federal Law * * *

Sec. H.26. 32 V.S.A. § 5824 is amended to read:

§ 5824. ADOPTION OF FEDERAL INCOME TAX LAWS

The statutes of the United States relating to the federal income tax, as in effect for taxable year ~~2007~~ 2008, but without regard to federal income tax rates under Section 1 of the Internal Revenue Code, are hereby adopted for the purpose of computing the tax liability under this chapter.

* * * Trustee Process * * *

Sec. H.27. 32 V.S.A. § 5892 is amended to read:

§ 5892. ACTION TO COLLECT TAXES; LIMITATIONS

(a) Action may be brought by the attorney general of the state at the instance of the commissioner in the name of the state to recover the amount of the tax liability of any taxpayer, if the action is brought within six years after the date the tax liability was collectible under section 5886 of this title. The action shall be returnable in the county where the taxpayer resides or has a place of business, and if the taxpayer neither resides nor has a place of business in this state, the action shall be returnable in Washington ~~county~~ County.

(b) Notwithstanding sections 3167 and 3168 of Title 12, a motion may be brought by the attorney general of the state at the instance of the commissioner in the name of the state for issuance of trustee process at the same time as an action is brought under subsection (a) of this section, and, if judgment is granted in that action, the court may proceed immediately to hear and render a decision on the trustee process.

* * * Repeal of Certain Tax Credits * * *

Sec. H.28. REPEAL

(a) 32 V.S.A. § 5930v (providing an income tax credit for eligible venture capital investment) is repealed effective for tax years beginning on or after January 1, 2010.

(b) 32 V.S.A. § 3802(13) (exempting fallout shelters from property tax) is repealed for grand lists prepared for April 1, 2010 and after.

* * * Property Tax Adjustments * * *

Sec. H.29. 32 V.S.A. § 6066a is amended to read:

§ 6066a. DETERMINATION OF PROPERTY TAX ADJUSTMENTS

* * *

(c) The commissioner shall notify the municipality of any claim and refund amounts unresolved by September 15 at the time of final resolution, including adjudication if any; provided, however, that towns will not be notified of any additional adjustment amounts after ~~December 31~~ September 15 of the claim year, and such amounts shall be paid to the claimant by the commissioner.

* * *

(f) Property tax bills.

* * *

(4) If the property tax adjustment amount as described in subsection ~~(b)~~(e) of this section exceeds the property tax, penalties and interest, due for the current and all prior years, the municipality shall refund the excess to the taxpayer, without interest, within 20 days of the first date upon which taxes become due and payable or 20 days after notification by the commissioner of education, whichever is later.

* * *

* * * Clarifying the Homestead Declaration Requirements * * *

Sec. H.30. DECLARATION OF HOMESTEAD

The commissioner of taxes shall ensure that the homestead declaration form clearly informs taxpayers that a homestead declaration must be filed each year regardless of whether or not the taxpayer is applying for an income sensitivity adjustment and that homestead declarations must be timely filed even if the taxpayer is granted an extension of time to file his or her return.

* * * Estate Tax * * *

Sec. H.31. 32 V.S.A. § 7442a is amended to read:

§ 7442a. IMPOSITION OF A VERMONT ESTATE TAX AND RATE OF
TAX

(a) A tax is hereby imposed on the transfer of the Vermont estate of every decedent dying on or after January 1, 2002, who, at the time of death, was a resident of this state. The base amount of this tax shall be a sum equal to the amount ~~by which~~ of the credit for state death taxes allowable to a decedent's estate under Section 2011, ~~as in effect on January 1, 2001,~~ of the Internal Revenue Code, ~~hereinafter sometimes referred to as the "credit," exceeds the lesser of~~ as in effect on January 1, 2001. This base amount shall be reduced by the lesser of the following:

(1) The total amount of all constitutionally valid state death taxes actually paid to other states; or

(2) A sum equal to the proportion of the credit which the value of the property taxed by other states bears to the value of the decedent's total gross estate for federal estate tax purposes.

(b) A tax is hereby imposed on the transfer of the Vermont estate of every decedent dying on or after January 1, 2002, who, at the time of death, was not a resident of this state. The amount of this tax shall be a sum equal to the proportion of the ~~credit~~ base amount of tax under subsection (a) of this section which the value of Vermont real and tangible personal property taxed in this

state bears to the value of the decedent's total gross estate for federal estate tax purposes.

(c) The Vermont estate tax shall not exceed the amount of the tax imposed by Section 2001 of the Internal Revenue Service Code calculated using the applicable credit amount under Section 2010 as in effect on January 1, 2008, with no deduction under Section 2058.

(d) All values shall be as finally determined for federal estate tax purposes.

Sec. H.32. 32 V.S.A. § 7444 is amended to read:

§ 7444. RETURN BY EXECUTOR

In all cases where ~~the federal gross estate at the time of the death of the decedent exceeds the applicable federal exclusion amount or where the estate is subject to federal estate tax~~ a tax is imposed upon the estate under section 7442a of this chapter, the executor shall make a return with respect to the estate tax imposed by this chapter. If the executor is unable to make a complete return as to any part of the gross estate of the decedent, he or she shall include in his or her return (to the extent of his or her knowledge or information) a description of such part and the name of every person holding a legal or beneficial interest therein. Upon notice from the commissioner such person shall in like manner make a return as to such part of the gross estate. A return made by one of two or more joint fiduciaries shall be sufficient compliance with the requirements of this section. A return made pursuant to

this section shall contain a statement that the return is, to the best of the knowledge and belief of the fiduciary, true and correct.

Sec. H.33. 32 V.S.A. § 7445 is amended to read:

§ 7445. COPIES OF FEDERAL ESTATE TAX RETURNS TO BE FILED

It shall be the duty of the executor of every person who may die a resident of Vermont or a nonresident with real estate or tangible personal property having an actual situs in Vermont to file with the commissioner a duplicate of all federal estate tax returns which he or she is required to make to the federal authorities, or, if no federal estate tax return is required, a pro forma federal estate tax return for the estate of a decedent with a Vermont estate tax liability shall be filed with the commissioner.

Sec. H.34. 32 V.S.A. § 7446 is amended to read:

§ 7446. WHEN RETURNS TO BE FILED

The estate tax return required under section 7444 of this title shall be filed ~~at the time the federal estate tax return is required to be filed under the laws of the United States, including any extensions of time for filing granted by the federal authorities~~ within nine months of the death of the decedent. Prior to expiration of the filing period, executors may apply for a six-month extension.

Sec. H.35. 32 V.S.A. § 7475 is amended to read:

§ 7475. ADOPTION OF FEDERAL ESTATE AND GIFT TAX LAWS

The laws of the United States, relating to federal estate and gift taxes as in effect on January 1, ~~2008~~ 2009, are hereby adopted for the purpose of computing the tax liability under this chapter, except:

(1) ~~with~~ the credit for state death taxes shall remain as provided for under ~~Section~~ Sections 2011 and 2604 of the Internal Revenue Code as in effect on January 1, 2001;

(2) the applicable credit amount shall remain as provided for under Section 2010 of the Internal Revenue Code; as in effect on January 1, 2008;
and

(3) ~~without any~~ the deduction for state death taxes under Section 2058 of the Internal Revenue Code shall not apply.

* * * Cigarette and Tobacco Taxes * * *

Sec. H.36. 32 V.S.A. § 7702 is amended to read:

§ 7702. DEFINITIONS

The following words and phrases, as used in this chapter, shall have the following meanings, unless the context otherwise requires:

* * *

(13) “Snuff” means any finely cut, ground, or powdered tobacco that is not intended to be smoked, has a moisture content of no less than 45 percent,

and is not offered in individual single-dose tablets or other discrete single-use units.

* * *

(15) “Tobacco products” means ~~eigars; cheroots; stogies; periques; granulated, plug cut, crimp cut, ready rubbed, and other smoking tobacco; snuff, snuff flour; cavendish; plug and twist tobacco; fine cut and other chewing tobaccos; shorts; refuse scraps, clippings, cuttings and sweeping of tobacco, and other kinds and forms of tobacco, prepared in such manner as to be suitable for chewing or smoking in a pipe or otherwise, or both for chewing and smoking~~ any product manufactured from, derived from, or containing tobacco that is intended for human consumption by smoking, chewing, or in any other manner; but shall not include cigarettes, little cigars, roll-your-own tobacco, moist snuff, or new smokeless tobacco as defined in this section.

* * *

(20) “New smokeless tobacco” means any tobacco product manufactured from, derived from, or containing tobacco that is not intended to be smoked, has a moisture content of less than 45 percent, or is offered in individual single-dose tablets or other discrete single-use units.

Sec. H.37. 32 V.S.A. § 7771(c) is amended to read:

(c) The tax imposed under this section shall be at the rate of ~~89.5~~ 112 mills per cigarette or little cigar and for each 0.09 ounces of roll-your-own tobacco.

The interest and penalty provisions of section 3202 of this title shall apply to liabilities under this section.

Sec. H.38. 32 V.S.A. § 7811 is amended to read:

§ 7811. IMPOSITION OF TOBACCO PRODUCTS TAX

There is hereby imposed and shall be paid a tax on all tobacco products except roll-your-own tobacco and little cigars taxed under section 7771 of this title possessed in the state of Vermont by any person for sale on and after July 1, 1959 which were imported into the state or manufactured in the state after said date, except that no tax shall be imposed on tobacco products sold under such circumstances that this state is without power to impose such tax, or sold to the United States, or sold to or by a voluntary unincorporated organization of the armed forces of the United States operating a place for the sale of goods pursuant to regulations promulgated by the appropriate executive agency of the United States. Such tax ~~on~~ is intended to be imposed only once upon the wholesale sale of any tobacco products product and shall be at the rate of ~~44~~ 92 percent of the wholesale price for all tobacco products except snuff, which shall be taxed at \$1.66 per ounce, or fractional part thereof, ~~and is intended to be imposed only once upon any tobacco product and new~~ smokeless tobacco, which shall be taxed at the greater of \$1.66 per ounce or, if packaged for sale to a consumer in a package that contains less than 1.2 ounces of the new smokeless tobacco, at the rate of \$1.99 per package. Provided, however, that upon payment of the tax within 10 days, the distributor or dealer

may deduct from the tax two percent of the tax due. It shall be presumed that all tobacco products within the state are subject to tax until the contrary is established and the burden of proof that any tobacco products are not taxable hereunder shall be upon the person in possession thereof. Wholesalers of tobacco products shall state on the invoice whether the price includes the Vermont tobacco products tax.

Sec. H.39. 32 V.S.A. § 7814 is amended to read:

§ 7814. FLOOR STOCK TAX

* * *

(b) Cigarettes, little cigars, or roll-your-own tobacco. Notwithstanding the prohibition against further tax on stamped cigarettes, little cigars, or roll-your-own tobacco under section 7771 of this title, a floor stock tax is hereby imposed upon every dealer of cigarettes, little cigars, or roll-your-own tobacco in this state who is either a wholesaler, or a retailer who at 12:01 a.m. ~~effective~~ on July 1, ~~2006~~ following enactment of this act, has more than 10,000 cigarettes or little cigars or who has \$500.00 or more of wholesale value of roll-your-own tobacco, for retail sale in his or her possession or control. The amount of the tax shall be the amount by which the new tax exceeds the amount of the tax already paid for each cigarette, little cigar, or roll-your-own tobacco in the possession or control of the wholesaler or retailer at 12:01 a.m. ~~effective~~ on July 1, ~~2006~~ following enactment of this act, and on which cigarette stamps have been affixed before July 1, ~~2006~~ following enactment of this act.

A floor stock tax is also imposed on each Vermont cigarette stamp in the possession or control of the wholesaler at 12:01 a.m. ~~effective~~ on July 1, ~~2006~~ following enactment of this act, and not yet affixed to a cigarette package, and the tax shall be at the rate of ~~\$0.60~~ \$0.25 per stamp. Each wholesaler and retailer subject to the tax shall, on or before July 25, ~~2006~~ following enactment of this act, file a report to the commissioner in such form as the commissioner may prescribe showing the cigarettes, little cigars, or roll-your-own tobacco and stamps on hand at 12:01 a.m. ~~effective~~ on July 1, ~~2006~~ following enactment of this act, and the amount of tax due thereon. The tax imposed by this section shall be due and payable on or before July 25, ~~2006~~ following enactment of this act, and thereafter shall bear interest at the rate established under section 3108 of this title. In case of timely payment of the tax, the wholesaler or retailer may deduct from the tax due two and three-tenths of one percent of the tax. Any cigarettes, little cigars, or roll-your-own tobacco with respect to which a floor stock tax has been imposed under this section shall not again be subject to tax under section 7771 of this title.

* * *

* * * Sales and Use Tax on Digital Downloads * * *

Sec. H.40. 32 V.S.A. § 9701(45), (46), and (47) are added to read:

(45) Transferred electronically: means obtained by the purchaser by means other than tangible storage media.

(46) Specified digital products: means digital audio-visual works, digital audio works, digital books, or ringtones that are transferred electronically.

(A) Digital audio-visual works: means a series of related images which, when shown in succession, impart an impression of motion, together with accompanying sounds, if any;

(B) Digital audio works: means works that result from the fixation of a series of musical, spoken, or other sounds, including ringtones;

(C) Digital books: means works that are generally recognized in the ordinary and usual sense as “books.”

(D) Ringtones: means digitized sound files that are downloaded onto a device and that may be used to alert the customer with respect to a communication.

(47) End user: means any person other than a person who received by contract a product transferred electronically for further commercial broadcast, rebroadcast, transmission, retransmission, licensing, relicensing, distribution, redistribution, or exhibition of the product, in whole or in part, to another person or persons.

Sec. H.41. 32 V.S.A. § 9771 is amended to read:

§ 9771. IMPOSITION OF SALES TAX

Except as otherwise provided in this chapter, there is imposed a tax on retail sales in this state. The tax shall be paid at the rate of six percent of the sales

price charged for but in no case shall any one transaction be taxed under more than one of the following:

* * *

(8) Specified digital products transferred electronically to an end user.

Sec. H.42. 32 V.S.A. § 9772 is amended to read:

§ 9772. AMOUNT OF TAX TO BE COLLECTED

(a) For the purpose of adding and collecting the tax imposed by this chapter, or an amount equal as nearly as possible or practicable to the average equivalent thereof, to be reimbursed to the vendor by the purchaser, the vendor shall ~~use either the calculation in subdivision (1) of this subsection or the formula in subdivision (2). The tax required to be remitted shall be the rate specified in section 9771 of this title multiplied by the total sales price of all the taxable transactions; provided, however, the tax required to be remitted shall be no more than the amount required to be collected. The vendor shall be entitled to retain any amount lawfully collected by the person in excess of the tax imposed by this chapter.~~

~~(1) The multiply the total sales price of all the ~~transaction multiplied transactions taxable~~ by the rate specified in section 9771 of this title carried to the third decimal place and rounded up to the nearest whole cent if the third decimal point is greater than four and rounded down to the nearest whole cent if the third decimal point is four or less. The tax may be computed on either the total invoice amount or on each taxable item.~~

Amount of Sale	Amount of Tax
\$0.01-0.10	No Tax
0.11-0.16	\$.01
0.17-0.33	.02
0.34-0.50	.03
0.51-0.66	.04
0.67-0.83	.05
0.84-1.00	.06

~~In addition to a tax of \$0.06 on each full dollar, a tax shall be collected on each part of a dollar in excess of a full dollar in accordance with the following formula:~~

\$ 0.01-0.16	\$-.01
0.17-0.33	.02
0.34-0.50	.03
0.51-0.66	.04
0.67-0.83	.05
0.84-0.99	.06

* * *

Sec. H.43. 32 V.S.A. § 9773 is amended to read:

§ 9773. IMPOSITION OF COMPENSATING USE TAX

Unless property has already been or will be subject to the sales tax under this chapter, there is imposed on every person a use tax at the rate of six

percent for the use within this state, except as otherwise exempted under this chapter:

* * *

(2) Of any tangible personal property manufactured, processed or assembled by the user, if items of the same kind of tangible personal property are offered for sale by him or her in the regular course of business, but the mere storage, keeping, retention or withdrawal from storage of tangible personal property or the use for demonstrational or instructional purposes of tangible personal property by the person who manufactured, processed or assembled such property shall not be deemed a taxable use by him or her; and for purposes of this section only, the sale of electrical power generated by the taxpayer shall not be considered a sale by him or her in the regular course of business if at least 60 percent of the electrical power generated annually by the taxpayer is used by the taxpayer in his or her trade or business; ~~and~~

(3) Of any tangible personal property, however acquired, where not acquired for purposes of resale, upon which any taxable services described in subdivision 9771(3) of this title have been performed; and

(4) Specified digital products transferred electronically to an end user.

* * * Sales Tax on Spirituous Liquor * * *

Sec. H.44. 32 V.S.A. § 9743(1) is amended to read:

(1) The state of Vermont, or any of its agencies, instrumentalities, public authorities, public corporations (including a public corporation created

pursuant to agreement or compact with another state) or political subdivisions when it is the purchaser, user or consumer, or when it is a vendor of services or property of a kind not ordinarily sold by private persons, or when it charges for admission to any amusement; except that a performance jointly produced or presented by it and another person shall not be exempt from amusement tax unless it meets the joint production requirements imposed on a qualified organization under subdivision (3)(B) of this section and sales of alcoholic beverages shall not be exempt from sales tax.

* * * Returns Upon Business Closing * * *

Sec. H.45. 32 V.S.A. § 9775 is amended to read:

§ 9775. RETURNS

(a) Except as otherwise provided in this section, every person required to collect or pay tax under this chapter shall, where the sales and use tax liability under this chapter for the immediately preceding calendar year has been (or would have been in cases when the business was not operating for the entire year) \$500.00 or less, pay the tax imposed by this chapter in one annual payment on or before the 25th day of January of each year. Every person required to collect or pay tax under this chapter shall, where the sales and use tax liability under this chapter for the immediately preceding calendar year has been (or would have been in cases when the business was not operating for the entire year) more than \$500.00 but less than \$2,500.00, pay the tax imposed by this chapter in quarterly installments on or before the 25th day of the calendar

month succeeding the quarter ending on the last day of March, June, September, and December of each year. In all other cases, except as provided in ~~subsection~~ subsections (e) and (g) of this section, the tax imposed by this chapter shall be due and payable monthly on or before the 25th (23rd of February) day of the month following the month for which the tax is due. Payment by electronic funds transfer does not affect the requirement to file returns. The return of a vendor of tangible personal property shall show such information as the commissioner may require.

* * *

(g) A person required to report sales and use tax annually who cancels his, her, or its sales and use tax account shall file a final return not later than 60 days after such cancellation.

* * * Land Gains Tax * * *

Sec. H.46. 32 V.S.A. § 10009(b) is amended to read:

(b) All the administrative provisions of chapter 151 of this title, including those relating to the collection and enforcement by the commissioner of the withholding tax and the income tax, and of chapter 103, including those relating to interest and penalty charges, shall apply to the tax imposed by this chapter.

* * * Capital Gains Exemption and Partial Exclusion of Deduction for State

Income Taxes * * *

Sec. H.47. 32 V.S.A. § 5811(21) is amended to read:

(21) "Taxable income" means federal taxable income determined without regard to Section 168(k) of the Internal Revenue Code and:

(A) Increased by the following items of income (to the extent such income is excluded from federal adjusted gross income):

(i) interest income from non-Vermont state and local obligations;

~~and~~

(ii) dividends or other distributions from any fund to the extent they are attributable to non-Vermont state or local obligations; and

(iii) the amount in excess of \$5,000.00 of state and local income taxes deducted from federal adjusted gross income for the taxable year, but in no case in an amount that will reduce total itemized deductions below the standard deduction allowable to the taxpayer; and

(B) Decreased by the following items of income (to the extent such income is included in federal adjusted gross income):

(i) income from United States government obligations; ~~and~~

~~(ii) 40 percent of adjusted net capital gain income as defined in Section 1(h) of the Internal Revenue Code, but the total amount of decrease under this subdivision (ii) shall not exceed 40 percent of federal taxable~~

~~income~~ the first \$5,000.00 of adjusted net capital gain income as defined in Section 1(h) of the Internal Revenue Code; and

(iii) recapture of state and local income tax deductions not taken against Vermont income tax.

* * * Deduction for Vehicle Purchase Sales Tax * * *

Sec. H.47b. INCLUSION IN INCOME OF AMOUNT OF DEDUCTION
TAKEN FOR SALES AND USE TAX ON PURCHASE OF NEW VEHICLE

(a) For taxable year 2009 only, a taxpayer shall increase his or her taxable income calculated pursuant to Section 5811(21) by the amount of any deduction taken pursuant to Section 164(a)(6) of the Internal Revenue Code.

(b) The \$100,000 appropriation in Sec. B 1101 (a) (10) of the this act is to fund the joint legislative government accountability committee established in Sec. 5 of No. 206 of the Acts of the 2008 General Assembly (adj. sess.) for the purpose of hiring consultants to make recommendations for further efficiencies in state government.

* * * Reduction of Income Tax Rates * * *

Sec. H.48. REDUCTION OF PERSONAL INCOME TAX RATES

For taxable year 2009 and subsequent taxable years, income tax rates under 32 V.S.A. § 5822, after taking into account any inflation adjustments to taxable income as required under subdivision 5822(b)(2), shall be as follows:

<u>For taxable income which, without</u>	<u>That taxable income</u>
<u>the passage of this act, would be</u>	<u>shall instead be taxed</u>
<u>subject to tax at the following rate:</u>	<u>at the following rate:</u>
<u>3.60%</u>	<u>3.55%</u>
<u>7.20%</u>	<u>6.80%</u>
<u>8.50%</u>	<u>7.80%</u>
<u>9.00%</u>	<u>8.80%</u>
<u>9.50%</u>	<u>8.95%</u>

Sec. H.48a. STATUTORY REVISION

The legislative council is directed to revise the Vermont Statutes Annotated to reflect the income tax rate changes in Sec. H.48 of this act.

Sec. H.49. HEALTH CARE REFORM PROPERTY TAX EXEMPTION

In fiscal years 2010 and 2011, the following two properties shall be exempt from education property tax under chapter 135 of Title 32: Buildings and land owned and occupied by a health, recreation, and fitness organization which is exempt under Section 501(c)(3) of the Internal Revenue Code, the income of which is entirely used for its exempt purpose, one of which is designated by the Springfield Hospital and the other designated by the North Country Hospital, to promote exercise and healthy lifestyles for the community and to serve citizens of all income levels in this mission. This exemption shall apply, notwithstanding the provisions of subdivision 3832(7) of Title 32.

* * * Digital Business Entities * * *

Sec. H.50. LEGISLATIVE INTENT

The purpose of the following sections of this act concerning digital business entities is to build on the momentum created by Secs. 74 through 100 of No. 190 of the Acts of the 2007 Adj. Sess. (2008), which provided for Vermont companies to conduct much of their statutorily required corporate affairs using electronic media, including e-mail, facsimile, and web-based filings.

Sec. H.51. 32 V.S.A. § 5811(26) is added to read:

(26) “Digital business entity” means a business entity which, during the entire taxable year:

(A) was not a member of an affiliated group or engaged in a unitary business with one or more members of an affiliated group that is subject to Vermont income taxation; did not have any Vermont property, payroll, or sales and did not perform any activities in this state which would constitute doing business for purposes of income taxation except activities described in subdivisions (15)(C)(i) (fulfillment operations) and (C)(ii) (web page or Internet site maintenance) of this section; and

(B) used mainly computer, electronic, and telecommunications technologies in its formation and in the conduct of its business meetings, in its interaction with shareholders, members, and partners, in executing any other formal requirements.

Sec. H.52. 32 V.S.A. § 5832(2) is amended to read:

(2)(A) \$75.00 for small farm corporations. “Small farm corporation” means any corporation organized for the purpose of farming, which during the taxable year is owned solely by active participants in that farm business and receives less than \$100,000.00 gross receipts from that farm operation, exclusive of any income from forest crops; or

(B) An amount determined in accordance with section 5832a of this title for a corporation which qualifies as and has elected to be taxed as a digital business entity for the taxable year; or

(C) \$250.00 for all other corporations.

Sec. H.53. 32 V.S.A. § 5832a is added to read:

§ 5832a. DIGITAL BUSINESS ENTITY FRANCHISE TAX

(a) There is imposed upon every business entity which qualifies as and has elected to be taxed as a digital business entity an annual franchise tax equal to:

(1) the greater of 0.02 percent of the current value of the tangible and intangible assets of the company or \$250.00, but in no case more than \$500,000.00; or

(2) where the authorized capital stock does not exceed 5,000 shares, \$250.00; where the authorized capital stock exceeds 5,000 shares but is not more than 10,000 shares, \$500.00; and the further sum of \$250.00 on each 10,000 shares or part thereof.

(b) In no case shall the tax on any corporation for a full taxable year, whether computed under subdivision (a)(1) or (2) of this section, be more than \$500,000.00 or less than \$250.00.

(c) In the case of a corporation that has not been in existence during the whole year, the amount of tax due, at the foregoing rates and as provided, shall be prorated for the portion of the year during which the corporation was in existence.

(d) In the case of a corporation changing during the taxable year the amount of its authorized capital stock, the total annual franchise tax payable at the foregoing rates shall be arrived at by adding together the franchise taxes calculated pursuant to subdivision (a)(2) of this section as prorated for the several periods of the year during which each distinct authorized amount of capital stock was in effect.

(e) For the purpose of computing the taxes imposed by this section, the authorized capital stock of a corporation shall be considered to be the total number of shares that the corporation is authorized to issue without regard to whether the number of shares that may be outstanding at any one time is limited to a lesser number.

(f) The franchise tax under this section shall be reported and paid in the same manner as the tax under subdivision 5832(2)(B) of this title; provided, however, that an electing corporation shall also provide the commissioner with a copy of its federal tax return.

Sec. H.54. 32 V.S.A. § 5838 is added to read:

§ 5838. DIGITAL BUSINESS ENTITY ELECTION

A corporation shall not be subject to the tax imposed by section 5832 of this title if the corporation qualifies as and elects to be taxed as a digital business entity for the taxable year.

Sec. H.55. REPORT TO THE GENERAL ASSEMBLY ON DIGITAL
BUSINESS ENTITY INCOME

Beginning in 2011 and every year thereafter, by January 15, the commissioner of taxes shall report to the house committee on ways and means and to the senate committee on finance on the amount of income reported to date to the department by businesses electing to be taxed as digital businesses, an estimate of the amount of income taxes exempted as a result, and details as to the size of businesses reporting. The committees shall review the report and make their recommendation to the general assembly as to whether to continue the taxpayer option of a digital business election and whether to extend the option to pass-through entities. If the digital business election is repealed, the commissioner's reporting requirement of this section shall no longer apply.

* * * Blue Ribbon Tax Structure Commission * * *

Sec. H.56. BLUE RIBBON TAX STRUCTURE COMMISSION

(a) Composition of commission. There is hereby established a blue ribbon tax structure commission composed of three to five members to be selected as follows:

(1) The speaker of the house, the president pro tempore of the senate, and the governor shall each appoint one member; and

(2) The three members appointed pursuant to subdivision (1) of this subsection may select one or two additional members.

(b) The commission shall be appointed as soon as possible after the effective date of this act. The panel shall elect a chair and a vice chair from among its members.

(c) Purpose and goals. The commission shall prepare a structural analysis of the state's revenue system and offer recommendations for improvements and modernization and provide a long-term vision for the tax structure. The commission shall have as its goal a tax system that provides sustainability, appropriateness, and equity. For guidance, the commission may use the Principles of a High-Quality State Revenue System as prepared by the National Conference of State Legislatures as of June 2007. A high-quality revenue system:

(1) Comprises elements that are complementary, including the finances of both state and local governments.

(2) Produces revenue in a reliable manner. Reliability involves stability, certainty, and sufficiency.

(3) Relies on a balanced variety of revenue sources.

(4) Treats individuals equitably. Minimum requirements of an equitable system are that it imposes similar tax burdens on people in similar

circumstances, it minimizes regressivity, and it minimizes taxes on low income individuals.

(5) Facilitates taxpayer compliance. It is easy to understand and minimizes compliance costs.

(6) Promotes fair, efficient, and effective administration. It is as simple as possible to administer, raises revenue efficiently, is administered professionally, and is applied uniformly.

(7) Is responsive to interstate and international economic competition.

(8) Minimizes its involvement in spending decisions and makes any such involvement explicit.

(9) Is accountable to taxpayers.

(d) The blue ribbon commission shall receive technical support from the department of taxes, the legislative joint fiscal office, and consultants. From data provided from the tax department the following reports will be provided to the commission:

(1) Changes in personal income, arranged by decile, over the last five years;

(2) House site and homestead value arranged by adjusted gross income (AGI) and, where available, household income;

(3) Gross and net school taxes paid, arranged by adjusted gross income and, where available, by household income.

(e) The joint fiscal office with the assistance of the legislative council and the department of taxes may contract with one or more consultants to provide assistance with achieving the goals for the commission. The consultants shall have extensive experience with state tax systems and shall have participated in at least one other study of a state tax system.

(f) Work Plan.

(1) Year 1 – Examine Vermont’s income tax structure and analyze, among other things, whether the principles of sustainability, appropriateness, and equity would be better met by using adjusted gross income rather than federal taxable income. This shall include an examination of personal exemptions, deductions, brackets, credits, and other adjustments to income. The commission shall prepare a work plan by September 15, 2009, preliminary findings by November 1, 2009, and a final report due January 1, 2010 submitted to the governor, the speaker, the president pro tempore, the house committee on ways and means and the senate committee on finance.

(2) Year 2 – The commission, by February 1, 2010, shall also present a proposed work plan which shall include a delivery date prior to February 1, 2011 for examining tax expenditures, fees, consumption taxes, and business taxes. The work plan shall include examining whether fees are being used to fund general responsibilities of government and whether such use is sustainable, appropriate, and equitable. The work plan shall include an

analysis of the process for reviewing tax expenditures under section 312 of Title 32.

(g) Of the funds appropriated to the joint fiscal office, \$200,000 is for the purpose of hiring consultants and other support for the commission.

(h) Non-legislative members of the commission shall be entitled to compensation as provided under 32 V.S.A. § 1010. Any legislative members of the commission shall be entitled to the same per diem compensation and reimbursement of necessary expenses for attendance at a meeting when the general assembly is not in session as provided to members of standing committees under 2 V.S.A. § 406.

* * * Financing and Effectiveness of the Vermont Education System * * *

SEC. H.57. FINANCING AND EFFECTIVENESS OF THE VERMONT
EDUCATION SYSTEM IN THE 21ST CENTURY;
COMMITTEE

(a) Findings.

(1) The future of Vermont's economic and social well-being is dependent on a strong, efficient public education system.

(2) Pressures on Vermont's education funding system, the state's general fund, and the Vermont economy as a whole make it increasingly difficult to ensure that Vermonters will continue to have access to the high quality education they have come to expect.

(b) Committee created. There is created a committee to examine potential improvements to the structure and funding of the Vermont educational system in light of the state's limited financial resources. When performing the duties assigned to it, the committee shall consider the work of the committee convened by the governor, the speaker of the house, and the president pro tempore during the 2009 legislative session. Among other issues, the committee shall:

(1) Examine the role and the effectiveness of the policy-making, management, and administrative structure that creates and implements Vermont education policy, including consideration of the functions of the legislature, the governor, the state board of education, the department of education, supervisory unions, local school boards, parents, students, community members, and other entities and individuals.

(2) Consider the types of decisions the identified entities and individuals make and how these decisions influence decisions made by others, with a focus on how they shape educational outcomes and drive funding requirements.

(3) Identify and evaluate the long-range sustainability of current and potential funding sources and mechanisms.

(4) Determine whether and to what extent each identified funding source and mechanism advances the mission of Vermont's educational system, including whether it complies with Brigham v. State, 166 Vt. 246 (1997).

(c) Committee membership. The committee shall have 15 members who shall be:

(1) The chairs of the house committees on education, on appropriations, and on ways and means or their designees, plus one additional member of the house of representatives appointed by the speaker of the house.

(2) The chairs of the senate committees on education, on appropriations, and on finance or their designees, plus one additional member of the senate appointed by the committee on committees.

(3) The commissioner of education or the commissioner's designee.

(4) Six members from constituencies such as the business community, superintendents, school boards, teachers, parents, and community members to be selected by July 15, 2009 as follows: two by the speaker of the house, two by the committee on committees, and two by the governor.

(d) Committee's overall composition. Persons making appointments under subsection (c) of this section shall consider the overall composition of the committee and shall attempt to ensure both that committee members have a broad understanding of the current education funding system and that the committee includes both supporters and critics of the system.

(e) Initial meeting. The commissioner of education shall convene the first meeting of the committee on or before July 30, 2009. The committee shall select a chair from among its members at the first meeting.

(f) Committee staff. The department of education and the joint fiscal office shall provide administrative and fiscal services to the committee. The committee shall rely upon the legislative council to draft all proposed legislation.

(g) Compensation for legislators. For attendance at a meeting when the general assembly is not in session, legislative members of the committee shall be entitled to compensation for services and reimbursement of expenses as provided in 2 V.S.A. § 406(a).

(h) Compensation for private citizens. Committee members who are not full-time state employees shall be entitled to expenses as provided in 32 V.S.A. § 1010 from money appropriated for this purpose by the general assembly.

(i) Number of meetings authorized. The committee shall meet no more than six times unless specifically authorized by the speaker of the house and the president pro tempore of the senate.

(j) Report. On or before December 15, 2009, the committee shall present detailed written findings and recommendations to the members of the house and senate committees on education, the house committee on ways and means, the senate committee on finance, and the governor. It shall provide draft legislation designed to implement its recommendations to the same parties by January 15, 2010.

Sec. H.58. EFFECTIVE DATES

This section and Secs. H.1–H.57 of this act shall take effect upon passage, except:

(1) Sec. H.22 (establishing an ad hoc board of civil authority for unorganized towns and gores and unified towns and gores) shall apply to appeals filed on or after July 1, 2009.

(2) Sec. H.23 (repealing tax information insert) shall apply to homestead property tax bills mailed in 2009 and after.

(3) Sec. H.24 (unsigned declaration of homestead) shall apply to declarations filed in calendar year 2010 and after.

(4) Sec. H.25 (taxation of unrelated business income of nonprofit corporations) shall take effect for taxable years beginning on and after January 1, 2010.

(5) Sec. H.26 (update of link to federal income tax laws) shall apply to taxable years beginning on and after January 1, 2008.

(6) Sec. H.29 (deadline for notice from department to towns regarding adjustment amounts) shall apply to homestead declarations filed in 2009 and after.

(7) Secs. H.31–H.35 (estate taxes) shall apply to estates of individuals dying on or after January 1, 2009.

(8) Secs. H.36–H.39 (tax on cigarettes and other tobacco products) shall take effect on July 1, 2009.

(9) Secs. H.40–H.43 (sales and use tax on digital downloads) shall take effect on July 1, 2009.

(10) Sec. H.44 (sales tax on spirituous liquor) shall take effect on July 1, 2009).

(11) Sec. H.45 (cancellation of sales and use tax account) shall take effect with respect to cancellations on or after July 1, 2009.

(12) Sec. H.47 (capital gains exemption and state income tax deduction) shall apply to taxable years beginning on or after January 1, 2009.

(13) Secs. H.50–H.55 (digital business entities) shall take effect on January 1, 2010.

Became law by the June 2, 2009 legislative override of Governor's veto.

H.441 was introduced during the 2009 Regular Session. Final action on H.441 occurred during the 2009 Special Session.